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Foreign Ministers Arrive To Attend ARF

BK3107092895 Kuala Lumpur Voice of Malaysia in English 0800 GMT 31 Jul 95

[FBIS Transcribed Text] Foreign ministers from around the world began gathering in Bandar Seri Begawan today for a major conference aimed at bringing security in the Asia-Pacific region.

The year-old ASEAN Regional Forum, ARF, brings together virtually all the major powers who have a stake and influence in shaping or accepting the future stability of the region.

The security forum brings together the seven members of ASEAN and dialogue partners of ASEAN. Although the ARF is only of forum for dialogue, some ministers, including Philippine Foreign Secretary Domingo Siazon are likely to raise the Spratlys issue despite Chinese objection that the issue should only be discussed bilaterally.

The ARF members also are likely to agree to some of earlier statements of a defense policy [as heard] and increase high-level military contacts.

To Seek 'Forward Movement'

BK0108072295 Bangkok BANGKOK POST in English 1 Aug 95 p 8

[Report by Saritdet Marukhathat and Atchara Atsayakachat from Bandar Seri Begawan]

[FBIS Transcribed Text] ASEAN foreign ministers face a challenging task today of injecting forward movement into the ASEAN Regional Forum [ARF] at a pace acceptable to all participants while at the same time retaining some control over its direction.

The ARF, a loose consultative forum of 19 countries in the Asia-Pacific, was established last year to discuss political and security issues in the region.

ASEAN initiated its formation during their annual ministerial meeting last year in Bangkok .

During their meeting today, the foreign ministers of ASEAN, their dialogue partners and observers, are expected to discuss such issues as preventive diplomacy, peacekeeping operations, sea search and rescue operations and arms control, ASEAN diplomats said.

These issues were raised during last year's meeting as areas which need to be considered by the ARF if the forum is to play a meaningful role.

During last year's meeting there was a divergence of views as to how fast the ARF should progress in terms of discussing political and security-related issues.

A number of Western nations believe the ARF should make concrete efforts to address these issues while ASEAN and other Asian ministers felt the forum should adopt a more comfortable pace that would gradually build up confidence among participants.

ASEAN groups Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

The dialogue partners are Australia, Canada, the European Union, Japan, New Zealand, South Korea and the United States, while Cambodia, Laos and Papua New Guinea are observers.

China and Russia are also members of the ARF.

Philippine Undersecretary Rodolfo Severino said Manila hoped the ARF could establish some activities which would start next year.

Japan is expected to resubmit a proposal it made last year that the ARF hold "inter-sessional meetings" in between the annual ARF meetings to discuss confidence building measures, peacekeeping and maritime research and rescue issues.

Programmes to tackle some of these issues were proposed at the end of last year's meeting by Australia and Canada.

Takeshi Nakane, spokesman for the Japanese delegation said Japan would propose that Japan and Indonesia co-host a meeting on confidence building measures; Malaysia and Canada would co-host a meeting on peacekeeping while the US and Spain would organise a meeting on maritime research and rescue.

Japan supports the US and Australian position in calling for ARF to address concrete security issues.

But some ASEAN member countries are concerned about the future direction of the ARF and the extent of ASEAN control over its direction.

Malaysian Foreign Minister Abdullah Badawi warned that the ARF is facing "risks being wrested from ASEAN" if it is not carefully handled as some countries are seeking larger role in the venue.

"ASEAN must remain resolute and steadfast in defend ASEAN positions and interests, lest the ARF process moves irreversibly in directions which ASEAN does not wish to pursue," he said at the opening of the ASEAN annual meeting on Saturday.

The group reiterated in its joint communique that the forum had to progress in the way that every participant feels comfortable, in an unspoken will to keep China involved.

That means activities for government officials are necessary, but the bottom line remains that the forum is to consult and build trust among countries which have interests in the region. Mutual trust will have to be there before the forum moves any further.

ASEAN does not want the ARF to develop into a negotiating forum.

"The ARF will not negotiate anything," Mr Severino stressed.

To resolve conflicts through the ARF is its ultimate aim but ASEAN realises the goal is still a long shot which needs time to develop, starting with regular talks to build confidence.

ASEAN is aware of trying to move the forum in a balance to please China, Russia and the United States — the three key players in the region.

Beijing will be uncomfortable with the ARF if it feels that Western countries are trying to dominate the floor, while Washington has made clear that it wants to see more concrete outcomes from the session, including the South China Sea issue.

"The ARF will be meaningless without America, China and Russia if it wants to discuss security issues," one ASEAN diplomat said.

Another said China decided to take part in the forum owing to ASEAN's assurance that it would not be intimidated by other participants especially on sensitive problems like the Spratly Islands.

There is no doubt the issue will be a focus today because of increasing tensions in the area early this year when China and the Philippines encountered armed confrontation at Mischief Reef after Beijing built markers there.

China is among six countries which claim part or all of the Islands. Other claimants are Brunei, Malaysia the Philippines, Vietnam and Taiwan.

Chinese Foreign Minister Qian Qichen and Vietnamese Foreign Minister Nguyen Manh Cam met yesterday for talks focussing on their territorial dispute.

"The two countries have already started conversation and negotiations at different level to resolve them, and some progress on the provisional agreement and basic principles have been reached," Chinese delegation spokesman Shen Guofang said.

Apart from the South China Sea, other issues to be discussed at today's ASEAN Regional Forum include situations in Burma, Cambodia and the Korean Peninsula. The Philippines wants the South China Sea issue included in the statement of the chairman, Brunei, to reflect concerns of the forum over the Spratlys.

But according to an ASEAN diplomat, the chairman's statement will make only vague reference through the phrase "overlapping territorial claims".

Indonesia, which will chair next year's session, is expected to be asked to work out guidelines for future expansion of the ASEAN Regional Forum.

The forum expands one more seat with the participation of Cambodia this year after Phnom Penh's admission to ASEAN as an observer at this meeting.

Gareth Evans Urges ASEAN To Wait on Burma

BK0108065595 Bangkok BANGKOK POST in English 1 Aug 95 p 8

[Report by Suphaphon Kanwerayothin and Atchara Atsayakachat from Bandar Seri Begawan]

[FBIS Transcribed Text] The Association of Southeast Asian Nations (ASEAN) should not rush to embrace Burma as a member of the grouping, Australian Foreign Minister Gareth Evans said yesterday.

"We are delighted that (Aung San) Suu Kyi has been released but the proof will be in the months ahead as to what this actually signifies," he said.

The Australian Foreign Minister is here to attend the ASEAN Regional Forum today, followed by talks with ASEAN foreign ministers as a dialogue partner tomorrow.

He hoped that serious discussions should be held with the Rangoon government, and one of the topics should include access to political prisoners by the International Committee of the Red Cross, he said.

Burma acceded to ASEAN's Treaty of Amity and Cooperation and applied for observer status in the letter delivered by Burmese Foreign Minister Ohn Gyaw to his Brunei counterpart, Prince Mohamed Bolkiah, on Thursday.

Mr Ohn Gyaw met with Japanese Foreign Minister Yohei Kono at the airport yesterday before returning to Rangoon.

Japanese Deputy Foreign Minister Hiroshi Fukuda refused to disclose details of the 25-minute talk, saying only that recent developments in Burma had been encouraging.

"In general terms we talk of better relations with Burma in the very near future because we are encouraged by developments in that country in recent weeks," he said.

Mr Fukuda said Japan welcomed Burma's decision to release opposition leader Daw Aung San Suu Kyi.

"We did not mention that name but our minister expressed his feelings to his Burmese counterpart that he was very happy with Burma's decision and expected better relations with the country," he told reporters.

The two foreign ministers did not discuss in detail the resumption of the Japanese Official Development Assistance (ODA) to the Burmese government, according to Mr Fukuda.

Japan is expected to officially announce a decision to offer a grant aid worth 1.5 billion yen to Burma.

Takeshi Nakane, spokesperson of the Japanese delegation to the ASEAN foreign ministers' meeting told reporters last night that Burma had earlier approached Japan to help upgrade and expand the Rangoon Institute of Nursing at an estimated cost of 1.5-2 billion yen.

For the time being, Japanese "cooperation" with Burma will be to resume aid projects committed before 1988, primarily in the area of humanitarian aid, water supply, primary education and health, he said.

Nakane also emphasised Tokyo will be closely monitoring the developments in Burma following the release of Mrs Suu Kyi in accordance to its ODA Charter in which aid is linked to democratisation and protection of human rights.

"We're not placing any conditions on the Myanmar (Burmese) government, but such is our ODA Charter," said Nakane.

He denied that Yen loans were being considered.

Tokyo halted aid in 1988, the year the military regime — the State Law and Order Restoration — assumed power.

Japan was then Burma's largest aid donor with loans totalling 4.029 billion yen, grant aids 1.128 billion yen in addition to technical assistance cooperation worth 162.17 million yen.

After 1988, Japan extended four billion yen to the country annually through the United Nations and non-government organisations for HIV/AIDS prevention and medical assistance including a five-year programme with the UN International Children's Fund (UNICEF).

Japan, as a dialogue partner, is attending the ARF today and is scheduled to hold talks with ASEAN tomorrow.

Economic Liberalization Tests ASEAN Unity

MS0108083095 London FINANCIAL TIMES in English 1 Aug 95 p 4

[Report by Kieran Cooke in Bandar and Sari Begawan in Brunei: "Economic Disputes Test Asean Unity"]

[FBIS Transcribed Text] The Association of South East Asian Nations [ASEAN] has failed to resolve arguments about the pace of economic liberalisation within the grouping and about its relations with other regional trade bodies.

Despite issuing a communique which restated the Asean position that member countries should trim tariffs to a maximum of 5 per cent by 2003, there was disagreement about how to achieve it.

The Sultan of Brunei caused a stir by calling for 2000 to be set as the new target date for cuts, saying: "We have to take some risk with our overprotected domestic industries if we are not to be left behind."

Vietnam, which became Asean's seventh member at the meeting in Brunei, expressed shock at the Sultan's proposal. "We will have great difficulty meeting the present target date", said a Vietnamese official. "We cannot accelerate the process any more." Vietnam's Asean membership had almost been derailed at the last minute because of the tariffs issue.

Some member countries, in particular Singapore, want Asean to speed the pace of economic integration and development while others, including Vietnam and Indonesia, want a more measured approach.

"Asean must now accept as a new reality that the world may no longer move or change at a pace comfortable to Asean," said Mr S Jayakumar, Singapore's minister for foreign affairs. "If we in Asean do not move fast and stay ahead of developments, we will be sidelined."

Singapore also spoke out strongly in support of the Asia Pacific Economic Conference (Apec) and other regional organisations.

Malaysia has made no secret of its suspicions that countries such as the US and Australia — both Apec members — threaten the interests of Asean. Mr Abdullah Badawi, Malaysia's foreign minister, said Asean must ensure that its interests are protected. "We must not allow Asean to be taken for granted by others, or worse, to be used by others to secure their own interests," he said.

Observers say that while Asean — which groups Thailand, Malaysia, Singapore, Indonesia, Brunei, the Philippines and Vietnam — has outwardly maintained its consensus style of discussion, the strains within the organisation are becoming apparent.

They say Asean is in danger of becoming a two-track organisation. Already the economies of member countries are at very different stages of development. Per capita income in Singapore is more than $20,000. In Vietnam it is only $200.

Japan

Fuji Film: Kodak 'Conveniently Distorted' Facts

*OW0108000995 Tokyo KYODO in English
2340 GMT 31 Jul 95*

[FBIS Transcribed Text] Washington, July 31 KYODO — Japanese photo filmmaker Fuji Photo Film Co. filed its response with the Office of the U.S. Trade Representative (USTR) on Monday [31 July] to a petition lodged by Eastman Kodak Co. of the United States.

The Japanese company released the document, called "Rewriting History," earlier in Tokyo with over 500 pages to counter Kodak's document of over 300 pages filed along with its petition that led the USTR in early July to begin a yearlong investigation into Japan's consumer photographic film and paper market.

If USTR investigators recognize the validity of Kodak's allegations over Fuji-led anticompetitive practices in Japan, the administration of President Bill Clinton could start procedures to impose sanctions under 301 Section of the 1974 trade law.

Briefing reporters at the National Press Club to announce the submission, Fuji officials along with their attorneys said the document shows how Kodak has conveniently distorted or ignored hundreds of facts about the Japanese market to suit its own purposes.

The document also alleges Kodak has mismanaged its business in Japan with its failure to be price competitive, introduce new products, expand its distribution system, and promote sufficient advertising.

The officials said that Kodak has a history of engaging in anticompetitive practices in the U.S., and urged the USTR to look also into such practices that have created barriers for Fuji's U.S. operations.

Paul Hudak, vice president of Fuji Photo Film U.S.A. Inc., said Kodak's exclusionary practices have resulted in more than 4.5 billion dollars in lost sales revenue in the past 10 years alone.

William Barringer, a Washington-based attorney for the Japanese company, said Fuji has "no intention at the present of filing any legal action (against Kodak)."

Fuji wants to resolve the issue through competition in the market, but it intends to continue urging the USTR to consider Kodak's practices in the U.S.

Taking the same move as earlier in Tokyo when Fuji held a press briefing to release its response document, Kodak issued a counterstatement, describing Fuji's action as a "diversionary tactic."

ANA, Delta Air Lines Sign Cooperation Accord

*OW0108101095 Tokyo KYODO in English
1004 GMT 1 Aug 95*

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — All Nippon Airways [ANA] and Delta Air Lines jointly announced Tuesday [1 August] they have signed agreements on a wide range of business and marketing cooperation, subject to government approval.

The announcement said the present plan calls for code-sharing/blocked seat arrangements on the Tokyo-Los Angeles route which is currently served by both airlines.

The new code-sharing service will offer customers 13 flights per week between Tokyo and Los Angeles, seven aboard ANA's Boeing 747-400 aircraft and six on Delta's McDonnell Douglas MD-11s, they said.

Both parties plan to broaden the arrangement to cover Osaka-New York, Osaka-Portland and Osaka-Honolulu routes in the future, it said.

The airlines said they are discussing possible future code-sharing service on flights within and beyond Japan and the United States.

"By teaming up with Delta, we hope to exploit the strengths of both carriers to offer our customers the very best of services," ANA President Seiji Fukatsu said.

He added, "I look forward to exploring the possibility of expanding the ANA-Delta cooperation to include joint marketing, service development, common use of facilities and other areas that would lead to greater convenience and competitiveness."

The airlines said they will link their respective mileage service programs for frequent-flyer customers, beginning Oct. 1. Delta will participate in ANA's program a while ANA will join Delta's skymiles, they said.

As of July 1, the companies said ANA assumed responsibility for the ground handling of Delta's aircraft in Japan, they said.

Igarashi Views Kono's Remarks on USFJ Budget

*OW0108012495 Tokyo ASAHI SHIMBUN NEWS CONFERENCE REPORT in Japanese
0427 GMT 31 Jul 95*

[News conference by Chief Cabinet Secretary Kozo Igarashi with unidentified reporters at the Prime Minister's Official Residence at 0211-0218 GMT on 31 July]

[FBIS Translated Text] [Igarashi] Do you have any questions?

[Reporter] In his speech at the Japan National Press Club on 28 July, Foreign Minister Yohei Kono said that

Japan would continue to substantiate recipient nation support for the U.S. Forces in Japan [USFJ]. It seems that he is referring to the so-called sympathy budget [omoiyari yosan]. However, it seems to me that he used the word enrich [jujitsu], let alone the word continue, meaning that Japan will increase the budget.

[Igarashi] In this regard, we will compile a rough budget request for next year and submit a budget request at the end of this year. Through this process, we will make a comprehensive decision while taking into consideration today's financial situation, the importance of Japan-U.S. relations, and other matters.

[Reporter] On the other hand, it was a public comment by the foreign minister. Needless to say, outsiders may think this is a comment made after having thorough consultations with the Prime Minister's Office. Moreover, he used the word enrich. Because of this, the United States may call for an increase in funding. Are you saying that what the foreign minister said does not necessary mean that the sympathy budget would be increased?

[Igarashi] Well, at this stage, what the foreign minister said is, in a way, a remark by a ministry which is in charge of compiling a sympathy budget. As I said earlier, this is something that will be determined while taking the financial situation into account and in line with cabinet policies. That is his opinion.

[Reporter] How will you deal with the quake damages?

[Igarashi] Regarding the funds necessary for restoration and rehabilitation work due to the damage caused by the great Hanshin- Awaji earthquake, Hyogo Prefecture submitted to the government a ten-year plan. After studying the plan, the Hanshin-Awaji Restoration Committee prepared its written opinion. Committee Chairman Shimokabe later submitted it to the Prime Minister's Office. The government's Hanshin-Awaji Restoration Headquarters confirmed [as published] it. On the basis of these points, I think the government, as it compiles a budget for fiscal 1996, will appropriate funds.

[Reporter] Some people were talking about a special quota.

[Igarashi] The idea of a special quota is questionable in terms of budget compilation procedures. At the meeting with the prime minister today, we talked about the possibility of having the three ruling parties make a special request regarding the Hanshin- Awaji. I was at the meeting. However, we know that special measures are needed regarding the Hanshin-Awaji issue.

[Reporter] What do you mean by special measures? Does this mean a budget will be prepared within the limits of the budget ceiling?

[Igarashi] We would like to have more internal discussions on this matter.

[Reporter] Does no special quota mean no exception to the ceiling?

[Igarashi] As you know, cabinet decisions are an official way for approving a rough budget request. I think it all depends on how an approval is worded in writing. Each ministry and agency begins to compile its budget on the basis of cabinet policy and in accordance with the Finance Ministry's instructions. This is the procedure. Therefore, the wording in a cabinet approval is one of the important factors. If a budget compilation progresses in accordance with this procedure, I think that what you say will be the conclusion.

Kono Urges Qian To End PRC Nuclear Tests

OW0108024695 Tokyo KYODO in English 0222 GMT 1 Aug 95

[FBIS Transcribed Text] Bandar Seri Begawan, Aug. 1 KYODO — Japanese Foreign Minister Yohei Kono urged Chinese Foreign Minister Qian Qichen on Tuesday [1 August] to stop China's nuclear testing, Japanese officials said.

During talks at a guest house in Brunei, Kono urged China to cease its nuclear testing and make efforts to conclude the Comprehensive Test Ban Treaty (CTBT), the officials said.

Qian was quoted as replying that it is necessary to speed up the process to conclude the CTBT negotiations.

The two foreign ministers are in Brunei attending a series of annual ministerial talks involving the Association of Southeast Asian Nations (ASEAN).

In protest to China's underground nuclear testing in May, Japan announced it will reduce grant-in-aid to the country.

Japan is to submit this fall a resolution to the United Nations seeking a ban on nuclear tests. Domestically, the Japanese Diet is also expected to adopt a resolution protesting China's nuclear experiments and France's decision to resume nuclear testing in the South Pacific from September.

Nuclear testings by China and France are expected to be one of the main discussion topics at the ASEAN regional forum later in the day.

Qian, Kono Discuss Sino-U.S. Relations

OW0108044595 Tokyo KYODO in English 0428 GMT 1 Aug 95

[By Miu Oikawa Dieter]

[FBIS Transcribed Text] Bandar Seri Begawan, Aug. 1 KYODO — Chinese Foreign Minister Qian Qichen told Japanese Foreign Minister Yohei Kono on Tuesday [1 August] that the United States needs to "show by action" that it abides by its "one-China" policy, a Japanese official said.

Qian made the remark ahead of his talks with U.S. Secretary of State Warren Christopher later in the day.

During their hour-long meeting at a guesthouse in Brunei, Kono also urged China to stop conducting nuclear tests, the official said.

Kono and Qian are in Brunei to attend the annual ministerial talks involving the Association of Southeast Asian Nations (ASEAN).

Kono voiced his concern to Qian over recent Sino-U.S. relations, which have deteriorated since Washington allowed Taiwan's president Li Teng-hui to make a private visit to the U.S. in June.

Qian replied that the U.S. decision caused difficulties in Sino-U.S. ties which had been good until May, and also created tension between Taiwan and China.

Washington's decision to allow Li to visit also bolstered a move within Taiwan toward independence, Qian was quoted as saying, and that such a move is "dangerous" and would not have a positive impact for either the U.S. or the Asia-Pacific region.

Qian approved of Christopher's remarks before arriving in Brunei that the U.S. will abide by its three communiques on relations with China.

"But what is more important is to show it by action," he was quoted as telling Kono.

But the Chinese foreign minister did not call on Japan not to invite Taiwanese officials to the Asia-Pacific Economic Cooperation (APEC) forum to be held in Osaka in November, the official said.

On China's nuclear tests, Kono urged Beijing to stop conducting them and not betray nonnuclear countries' confidence in nuclear states following the indefinite extension of the nuclear Nonproliferation Treaty (NPT), the official said.

Pointing out that Japanese public opinion against China is strong on the nuclear test issue, Kono urged China to stop the experiments and make efforts to conclude the Comprehensive Test Ban Treaty (CTBT).

Qian was quoted as replying it is necessary to speed up the process to conclude the CTBT negotiations.

In protest at China's last underground nuclear test in May, Japan announced it will reduce its grant-in-aid to the country.

Japan is to submit a resolution to the United Nations this fall seeking a ban on nuclear tests. Domestically, the Japanese Diet is also expected to adopt a resolution protesting at China's nuclear experiments and France's decision to resume nuclear tests in the south Pacific from September.

China's and France's nuclear tests are expected to be one of the main topics of discussions at the ASEAN regional forum (ARF) later the same day.

Turning to Sino-Japanese relations, Qian welcomed Kono's remarks that Japan wants to promote ties while honestly facing up to the past and looking toward the future, the official said.

On other topics, Qian told Kono that China's claims sovereignty over the South China Sea but that it wants to solve problems on the basis of maritime and international laws and through negotiations, indirectly referring to the territorial dispute over the Spratly islands, the official said.

The potentially oil-rich islands are claimed wholly or in part by China, Taiwan, Vietnam, the Philippines, Malaysia and Brunei.

Kono was quoted as saying Japan hopes the dispute will be solved peacefully and through negotiations.

Itochu, PRC Automaker Sign Contract

OW0108063195 Tokyo KYODO in English 0132 GMT 1 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — Trading house Itochu Corp. has signed a contract with China's third largest truck manufacturer, Beijing Light Automobile Co. (BLAC), to buy 20 percent of its equity shares and participate in its management, an Itochu spokesman said Tuesday [1 August].

The equity purchase will be worth about 1.7 billion yen, and the Chinese company will use the money to expand its production capacity to boost output, he said.

Minoru Murofushi, Itochu's president, signed the contract in Beijing on Monday, the spokesman said, adding that it is the first capital participation by a Japanese company in a Chinese automaker.

According to Itochu, BLAC is one of China's strategic state-owned automakers.

It introduced technology from Japanese automaker Isuzu Motors Ltd. In 1985, and now produces about 60,000 small trucks a year.

Along with the Chinese Government's policy to make the nation's truck industry stronger in international competition, BLAC plans to boost its annual output to around 100,000 by 1997, the Itochu spokesman said.

Itochu has had business ties with BLAC in the past through sales of Isuzu vehicles and parts as its agent.

Tokyo Seeks To Resume Talks With DPRK

OW0108064995 Tokyo NIHON KEIZAI SHIMBUN in Japanese 31 Jul 95 Morning Edition p 2

[FBIS Translated Text] In a bid to resume suspended Japan-DPRK (North Korea) normalization talks, the Japanese Government has decided to take the following measures: 1) If the DPRK contacts Japan, Japan will promptly respond and will show the DPRK its readiness to reopen negotiations as early as August; 2) Japan will inform the DPRK that it wants to hold consultations in a third country which is convenient for both sides; and 3) in view of the ROK's stand, Japan will persuade the DPRK to promote inter-Korean dialogue. The government believes that there is a strong possibility that Secretary Kim Chong-il will assume his office as state president and general secretary of the Workers' Party of Korea in October. In light of this, the government intends to establish an official channel of intergovernmental dialogue by resuming normalization talks for the sake of promoting the stabilization of the Korean Peninsula.

Antidumping Duty Imposed on Pakistani Yarn

OW0108045995 Tokyo KYODO in English 0417 GMT 1 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — The government announced Tuesday [1 August] it will impose an antidumping duty of 2.1 to 9.9 percent on Pakistani-produced cotton yarn for up to five years, effective Friday.

The punitive duty will apply to carded cotton yarn imported from 268 Pakistani companies, the government said.

It said the companies have exported the product, used mostly for towels and sheets, to Japan at prices 30 percent lower than domestic prices in Pakistan.

The duty will be imposed in response to complaints in 1993 by the Japan Spinners' Association that the Pakistani dumping of cotton yarn has injured the Japanese cotton spinning industry.

Japan previously imposed an antidumping duty on ferrosilicon manganese ore imports from China in 1993.

Mexican Official Seeks More Investment

PA3107171495 Mexico City NOTIMEX in Spanish 1535 GMT 30 Jul 95

[FBIS Translated Text] Tokyo, 30 Jul (NOTIMEX) — Herminio Blanco, Mexico's secretary of commerce and industrial development, arrived today in this capital, where he will explain the current situation of the Mexican economy to Japanese businessmen, diplomatic sources reported.

Herminio Blanco, who is accompanied by several business and commercial groups, will start a three-day official visit on 31 July, and he will seize the opportunity to promote greater Japanese investment in Mexico, sources at the local Foreign Ministry said.

They added that "Mexico has recovered its stability, and although it is still necessary to exercise caution, Japan is confident about its future."

The source stressed that "the revival of the stockmarket has again elicited the interest of investors and the good results reflected by the balance of payments suggest that the Mexican economy will start showing improvements in all areas."

The Mexican commerce secretary is scheduled to meet the morning of 31 July with officials of Ministries of International Trade and Industry and of Finance.

Later that day he will meet with the Japan-Mexico Business Committee of the Federation of Economic Organizations, the top business group in the country.

He will also meet with Koichiro Ejiri, president of Mitsui and Co. Ltd, and with Shoichiro Toyoda, president of Keidanren.

Blanco will grant interviews with representatives of the government, and of financial and business groups at the Mexican Embassy in Tokyo, as well as with the presidents of various Japanese industrial associations.

On 1 August he will grant an interview and attend a luncheon with the presidents of banks, of commercial concerns, of automobile and electronic companies, as well as with leaders of various government organizations.

Blanco will meet with leaders of the Import-Export Bank of Japan (Eximbank) and with the president of the Mitsubishi Corp., and he will also attend a reception hosted by the Salt Importers Association.

In the afternoon of 1 August, the Mexican official will travel to Osaka, 450 km west of Tokyo, where he will deliver a speech on 2 August and attend a luncheon with members of the Osaka Chamber of Commerce and Industry.

On 2 August Blanco will leave Japan for Seoul on an official visit to meet with ROK Government officials and business leaders.

Affirms Peso Crisis 'Corrected'

PA0108035195 Mexico City NOTIMEX in Spanish 1631 GMT 31 Jul 95

[FBIS Translated Text] Tokyo, 31 Jul (NOTIMEX) — Mexican Commerce Secretary Herminio Blanco today affirmed before some 150 Japanese businessmen and officials that the Mexican financial crisis has been corrected and that foreign investment opportunities in the country have reopened.

"The economic crisis of late 1994 was characterized by two elements: the instability of financial variables and the large current account deficit. These two elements have been corrected," the commerce secretary said.

Blanco, along with Manuel Uribe Castaneda, Mexican ambassador to Tokyo, and Claudio Gonzalez, president of the Mexican Businessmen's Council, held a news conference before a large group of businessmen and officials of the Japanese Government.

Blanco explained, "interest rates have dropped, the public sector has reentered the financial markets, and the inflation rate fell from 8 percent in April to 2 percent in June and is still heading downward, even without price controls."

The secretary added, "In terms of the current account, we have recovered $12 billion. Following a $9 billion deficit, we have recorded a $3 billion surplus in the first three months of 1995."

Blanco maintained, "The immediate prospects call for the recovery of (economic) growth and the recording of a (positive) balance starting in 1996."

He affirmed that overcoming the crisis was possible because of steps taken to increase competitiveness and to support his country's deregulation and privatization processes. In this regard, he pointed to the recent privatization of the railroad and port systems, as well as to the storage and distribution of gas, and he assessed that the privatization of petrochemical complexes and electric power plants is expected to start in October.

He also affirmed that the authorizations for the establishment and operation of foreign companies in the telecommunications sector will be granted in 1995 with the opening of the long-distance market.

Meanwhile, businessman Claudio Gonzalez, chief executive officer of the Kimberly Clark paper group, asserted, "Although Japan has stood out as a world power, it only occupies fifth place in terms of foreign investments in our country."

Referring to NAFTA, Gonzalez added, "Because of its international clout, Japan's participation should be larger. Japan is a great power, but it needs a larger presence in the region of the dollar."

He said, "Mexico is a country quite different from the country it was 10 years ago. We, Mexico's businessmen, are showing confidence by investing in our country." In commenting on the recent economic crisis, he added, "The easiest thing would have been to suspend the structural change (of the economy), but such a suspension did not take place. We are convinced we cannot undergo a partial structural change."

One of the participants said Japanese investors fear "the political dispute arising from the change of government could be repeated in six years." Gonzalez replied, "This will not happen again, I am certain. This is why my company is investing $200 million in a new plant in our country."

Regarding the conflict with the Zapatist National Liberation Army (EZLN) in Chiapas State, Gonzalez assured, "This military movement does not represent a threat for the direction the (political and economic) changes have taken in Mexico."

The participants stressed the importance of Blanco's visit to Japan and pointed out that they also have confidence in Mexico's recovery. "Proof of this is that, although not many new investments have been announced, previous plans have not been halted," one of the participants maintained.

Secretary Blanco met with Ryutaro Hashimoto, Japan's international trade and industry minister, and with business leaders such as Soichi Amemiya, former director general of Nissan Motors-Mexico, and Koichiro Ejire, president of Mitsui Co.

Today he was scheduled to meet with Soichiro Toyota, president of the Organization of Japanese Economic Federations (Keidanren) and president of the Toyota Motor Corp.

On 1 August, Blanco will hold a series of news conference with domestic and foreign media, followed by a lunch with bank governors; representatives from commercial, automotive, and electronics firms; and government officials. He also will hold talks with the directors of the Export-Import Bank and the president of Mitsubishi Corp.

Following his visit to Tokyo, the Mexican commerce secretary will go to Osaka, 450 km west of Tokyo, from where he will leave for Seoul to continue with the second and final leg of his Asian tour.

Takemura Comments on Special Budget Allocation

OW0108121995 Tokyo ASAHI SHIMBUN NEWS CONFERENCE REPORT in Japanese
0633 GMT 28 Jul 95

[News conference by Finance Minister Masayoshi Takemura with unidentified correspondents at the Finance Ministry's conference room at 0319-0341 GMT on 28 July]

[FBIS Translated Text] [Takemura] Discussions following today's cabinet meeting focused on the budgetary ceiling. I will not present to you opinions from each minister. But it seems to me that we had an understanding that the ceiling system itself is necessary. Perhaps, I can roughly classify what we discussed into two categories; we exchanged views over how a ceiling should be set, and also we talked about the budget for fiscal 1996. On how we should set a ceiling, we shared the view that the method we adopted in the past was not no effective. Some ministers used the phrases separate allocations or special allocations.

Roughly speaking, I think we shared the view that the essence of the ceiling system itself will be destroyed if we openly approve special allocations at the end. Information communications, science researches, and rebuilding from the great Hanshin-Awaji earthquake were mentioned. I do not mean to say special budget measures will be applied only to these matters. The director general of the Environment Agency said his budget will expand considerably and exceed the budget ceiling if expenditures for Minamata disease is included in the budget.

I do not mean to imply that special budget measures will be applied only to these three matters. I said that together with the executive authorities, I will seriously study items, to which we have to give special consideration as we set a ceiling and compile a budget afterward. I said that I would do that while observing the economic situation and taking medium- and long-term effects into consideration. I ended by saying that I will come up with a conclusion following final discussions with the prime minister. This essentially covers what we spoke about.

Further Reportage on Financially Troubled Cosmo

BOJ To Provide Loans

OW3107142495 Tokyo KYODO in English
1317 GMT 31 Jul 95

[FBIS Transcribed Text] Tokyo, July 31 KYODO — Bank of Japan [BOJ] Governor Yasuo Matsushita said Monday [31 July] the central bank will provide an unsecured special loan to financially troubled Cosmo Credit Corp. to protect depositors.

Matsushita said the loan will be provided under a provision of the Bank of Japan Law to help Cosmo refund deposits.

Only time deposits that have matured will be refunded but further details will be decided through consultations with the Tokyo Metropolitan Government and the Ministry of Finance, he said.

Matsushita said Cosmo's debts have exceeded its assets and the nation's financial system would be jeopardized if it were left untouched.

He said the loan will be provided to Cosmo through the National Federation of Credit Cooperatives, the governing body of credit unions across the nation.

Matsushita said the situation will not affect the central bank's monetary policy as the market has reacted calmly to the news.

Murayama Expresses Concern

OW0108025995 Tokyo KYODO in English
0210 GMT 1 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — Prime Minister Tomiichi Murayama, concerned about a financial crisis involving Cosmo Credit Corp., said Tuesday [1 August] it is important to maintain order in the credibility of Japanese financial system.

"The Tokyo Metropolitan Government, the Finance Ministry and the Bank of Japan should cooperate with one other to prevent the crisis from spreading to other financial institutions, as well as to maintain credibility (in financial systems)," Murayama told reporters.

Cosmo Credit, Tokyo's largest credit union, suspended operations involving new loans and deposits from Tuesday following orders from Tokyo Gov. Yukio Aoshima because of its financial crisis stemming from huge bad loans.

Tokyo To Take 'All-Out Steps'

OW0108042395 Tokyo KYODO in English
0357 GMT 1 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — The government will take all-out steps to rescue the financially troubled Cosmo Credit Corp. in a bid to protect depositors' investments and maintain order in the Japanese financial system, the top government spokesman said Tuesday [1 August].

"Early disposal of bad loans on the books of financial institutions is very important for the nation's economy," Chief Cabinet Secretary Kozo Igarashi told a news conference, referring to the financial crisis engulfing Cosmo Credit.

He said sweeping measures should be taken to bail out Cosmo, the largest credit union in Tokyo with deposits of 439 billion yen as of the end of March, under the guidance of the Tokyo Metropolitan Government which supervises the operations of credit unions in the capital.

Igarashi reiterated that the Finance Ministry and the Bank of Japan (BOJ) are ready to use special BOJ loans to protect Cosmo depositors. The loans would be offered under Article 25 of the Bank of Japan Law.

Cosmo, Japan's fifth largest credit union, suspended operations involving new loans and deposits Tuesday on the order of Tokyo Gov. Yukio Aoshima because of its financial crisis stemming from huge bad loans.

About 40 to 50 customers intending to withdraw money, mostly time deposits, lined up at Cosmo's Tokyo headquarters in the downtown Nihombashi area on Tuesday morning.

Takemura on Disposal Plan

OW0108050295 Tokyo KYODO in English
0413 GMT 1 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — Finance Minister Masayoshi Takemura said Tuesday [1 August] the government never rescues any failed financial institution, but is ready to protect depositors and the nation's financial system.

"Basically, any bankrupt financial institution is required to dissolve itself," Takemura told reporters, referring to a disposal plan for ailing Cosmo Credit Corp.

The Tokyo Metropolitan Government, which supervises credit unions in Tokyo, ordered Cosmo Credit on Monday to suspend most of its operations from Tuesday in the wake of massive withdrawals from the credit union which is suffering from a huge amount of bad loans.

The local government will provide financial aid of 15 billion to 20 billion yen to help finance depositors' withdrawals from Cosmo, Tokyo Gov. Yukio Aoshima said Monday.

Takemura said the government will create specific disposal plans for failed financiers on a case-by-case basis, in line with its basic policy to protect depositors and to avoid an outbreak of financial insecurity.

Such a policy has been applied to the Cosmo case and to the bailout of two failed Tokyo credit unions, Takemura said.

He also seemed to hint that the Tokyo Government should provide financial aid for the latter scheme, which has so far been funded by the Bank of Japan.

However, Gov. Aoshima opposes the use of taxpayers' money to provide the 30 billion yen in low-interest loans requested from the Tokyo Metropolitan Government for the disposal of the Tokyo Kyowa Credit Association and Anzen Credit Bank, which were dissolved due to lax management.

Turning to the day's recommendation by the National Personnel Authority of a pay raise for government employees for fiscal 1995, Takemura pointed to the need to carefully study whether the proposal should be fully implemented.

While noting that all cabinet ministers are ready to accept the recommended smallest 0.9 percent raise, Takemura said, "In addition to severe fiscal conditions, we have to consider restructuring efforts by the private sector."

A crisis in the state budget forced the government to freeze or curtail pay raises proposed by the authority in the early 1980s, but since fiscal 1986 its proposals on pay have been implemented fully.

Cosmo President Resigns

OW0108044195 Tokyo KYODO in English
0255 GMT 1 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — The board of directors at the financially troubled Cosmo Credit Corp. approved the resignation of its President Sampachi Taido on Tuesday [1 August], officials said.

The board also approved the appointment of Vice President Joji Sato as acting president of Cosmo, the officials said.

Taido will serve as part-time director of Cosmo, which was ordered by the Tokyo Metropolitan Government Monday to suspend most of its operations, except deposit withdrawals, effective Tuesday.

The metropolitan government supervises the operations of credit unions in Tokyo.

Some 40 to 50 customers intending to withdraw deposits, mostly time deposits, lined up at Cosmo's Tokyo headquarters in the downtown Nihombashi area Tuesday morning.

Cosmo met all requests for withdrawals, except for time deposits that have not reached maturity.

The Tokyo Metropolitan Government, the Finance Ministry and the Bank of Japan agreed Monday on the disposal of Cosmo.

Impact of Defense Budget Cuts on FSX Viewed

OW3107130495 Tokyo ASAHI SHIMBUN in Japanese 27 Jul 95 Morning Edition p 2

[FBIS Translated Text] Plans for the mass production of the next-generation support fighter (FSX) are becoming a focal point in fiscal 1996 budget talks. This is because the FSX budget in fiscal 1996 will determine the framework of the overall defense budget as well as the future direction of the FSX project. The Defense Agency, hoping for FSX mass productions in the future, plans to conclude contracts to purchase about 10 FSX's in fiscal 1996. The FSX is expected to be placed into service in fiscal 1999. However, at the 26 July session of the internal Security Policy Council, the ruling Social Democratic Party of Japan [SDPJ] strongly demanded lowered growth in defense expenditures and drastic reduction of new contracts for purchasing front-line equipment by the Self-Defense Forces [SDF]. The coalition parties are likely to have ardent debates on the 1996 defense budget.

Support fighters perform interception missions against invasion forces. FSX is being developed to replace 74 F-1 support fighters in active service. "Development of next-generation support fighters" was approved by the National Security Council in February 1987. The production cost is currently estimated at approximately 12 billion yen [Y] per unit, and the cost is expected to be lowered to Y8 billion when FSX is placed under mass production.

Following a defeat in the latest Upper House election, the SDPJ is going to stress its own policies in the decisionmaking process of the coalition government. With respect to this, the SDPJ insists contracts on front-line equipment should be reduced by more than 6.5 percent from the 1995 level. Members of the Liberal Democratic Party [LDP] said "the SDPJ may make some concessions on the growth rate, but is going to adhere to reduction of front-line equipment in bid of popularity" (as noted by a senior official of the LDP Defense Policy Committee).

The Defense Agency aims to procure 130 FSX's, including spare planes; however, the Cold War structure collapsed after the start of the FSX project. Last August, the prime minister's advisory defense issues panel advocated "reduction of fighter planes." The SDPJ also called for "review of the development project" in the "Challenge for Peace" report describing its security policies.

The Defense Agency insists "the need for support fighters remain unchanged despite recent changes in strategic environment" (as noted by a senior Air Staff Office official). However, in view of severe fiscal conditions and the SDPJ demand for drastic reduction of the SDF's front-line equipment, even Defense Agency officials are beginning to say "mass procurement of FSX's no longer has high priority" (as a senior agency official said).

Mobile Communications Industry Viewed

952A0570A Tokyo NOMURA SEARCH in Japanese May 19 95 pp 37-39

[Article by Hideki Wakabayashi, deputy researcher, Nomura Research Institute, Business Research Department]

[FBIS Translated Text] **Era of Internecine Strife Ahead for Japan's Mobile Communications Industry**

PHS [personal handy-phone system], Symbol of Second Wave Deregulation

Japan's communications industry is facing its second wave of deregulation. Before 1985, Nippon Telegraph and Telephone Corp. [NTT] had a monopoly on both the industry's long-distance and city networks.

The first wave ended in 1985 with the deregulation of long-distance services, resulting in Daini Denden [DDI Corp.]'s entrance into the market with its wireless technology and Japan Telecom with fiber optic technology. Investments in plants and equipment by these new common carriers (NCC), of course, were limited to long-distance services. NTT still retained its exclusive control over local lines. Although cordless and cellular phone use is growing at a steady pace, the majority of Japan's 60 million phone subscribers are still part of this old network.

Expected to come is a second wave of deregulation, this time affecting intracity networks. More diversified, networks are not only expected to accommodate the twisted pair wiring of the past but also fiber optic cables, cable television and quasi-microwaves, creating a rich diversity suitable for the multimedia era and those with TV phone, video-on-demand and personal handy-phone terminals.

The personal handy-phone system is the most promising of the new services. About 40 million-such subscriber phones are projected for the year 2010—the equivalent to slightly under 70 percent of the number of all current subscriber phones. Also promising are TV phones using fiber optic cables; but because such a system would require an investment of 30 trillion yen in equipment (a point that will be returned to later in this report) and also a revision of the regulatory system, with fewer restrictions, their full-fledged use is not expected until after 2010.

For the immediate future, the personal handy-phone will probably be in competition with the cellular phone in the mobile communications arena; but from 1998, with the anticipated emergence of dual-type terminals for cellular and PHS phones using the same operator, we can expect the two to coexist side-by-side. From 2000, we can expect the personal handy-phone system to become an indispensable part of daily life, serving as the nucleus of local, urban networks.

Callers, for example, will have access to PHS networks when in the city or in underground malls and to cellular networks in the suburbs or on high-speed roadways and will not even be conscious of which phone they are using.

There will also be greater choice and variety in terminal, or phone, equipment. Economical, popular PHS models will probably sell for 10,000 to 20,000 yen and slightly more expensive cellular and dual-type terminals for 50,000 yen or so. More sophisticated PHS models with the capability of transmitting images may cost from around 50,000 to 100,000 yen and advanced cellular phones that can be hooked up for satellite communications for 100,000 to 150,000 yen. The rate structure will also be more varied.

Cordless Phones the Main Phone of the 1990's

It is possible that, moving toward this greater diversity, the communications (rather than the computer) industry will be the bearer of the next technological revolution. The field not only includes the telephone networks of the past but is crowded with various new infrastructures, such as cellular and PHS mobile phone networks, B-ISDN [Broadband Integrated Services Digital Network] and CATV [cable television] networks, and VICS [Vehicle Information and Communication System] networks, which can provide the latest traffic news. In the beginning there will be competition, with the different networks vying for the best position, but in time, we can expect that they will each find a niche suitable to their own unique features and eventually form mutual linkages.

Networks can be divided broadly into wireless and nonwireless types. Because they satisfy the demand for convenience (being able to connect users "anywhere, anytime, to anyone") and require relatively little (about 2 trillion yen) in investments for things like relay stations, wireless networks will probably be the main type of network in the 1990's.

First in the order of these wireless networks is the cellular phone. With their digitalization and the introduction of lower rates and a new marketing system, cellular phones are now enjoying wide popularity. The number of such subscriber phones is expected to increase from 2.13 million as of the end of fiscal 1993 to 4.1 million by the end of fiscal 1994. Since the current frequency range (including the range for digital phones) is only 68 megahertz, there is concern that this will limit the number of subscriber phones in urban areas, but by the year 2000, some 8.5 million users are anticipated.

Second is the personal handy-phone. PHS services will begin in July of this year. In the beginning, they will be vying with cellular services as a cheaper form of mobile communications, but later we can expect the two to complement each other. Specifically, with a common terminal, users will have automatic access to PHS networks in the cities and cellular networks in the suburbs. Ultimately, as a portable, multimedia terminal capable of sending images, the personal handy-phone system can be expected to grow into a powerful urban network that includes over 60 percent of Japan's subscriber phones (slightly under 70 percent of all household phones are expected to be PHS phones).

Third is the vehicle information and communications system, a car navigation infrastructure, holding the promise of projected shipments of 150,000 VICS units in fiscal 1993, 400,000 units in fiscal 1994 and 2 million units in 2000. It is possible that, in combination with cellular networks, this system will also make the idea of the mobile office a reality, and it is no doubt benefiting from the reevaluations of wireless communication that have followed in the wake of the Great Hanshin Earthquake.

Nonwireless networks, typically CATV and B-ISDN lines, by comparison, may not really start spreading until 2010, some ten to fifteen years behind their wireless counterparts. While wireless phone networks have convenience on their side—they can be used to call "anyone, anywhere, anytime"—their cable and nonwireless counterparts can carry broadband transmissions capable of handling data of "any kind." The high cost of such nonwireless networks—about 33 trillion yen is required for investments in ATM [asynchronous transfer mode] switching, conveyance, optic fiber and photoelectric element equipment—at a time when there is no pressing need for services like video-on-demand and TV phones, has been the main reason they have gotten off to such a slow start. That situation, however, is expected to change in the future.

Rapid Progress for Mobile Communications in 1995

In the midst of these trends, 1995 will probably prove to be a year of dramatic progress and activity in the mobile communications field. Following the deregulation of pocket pagers in March, new services, including PHS service, which will begin in July, are crowding into the field. PHS service is slated to begin in the Tokyo area in July and in other regions in October. Because the service area during this first year will be limited and the actual period of service is only nine months, projections for all three groups—NTT, DDI, and the Astel group (Japan Telecom, etc.)—place total subscribers at 1.2 million and terminals at 1.5 million units. In fiscal 1996, however, subscribers are projected to reach 1.5 million and terminal units 1.8 million.

Although no dramatic increase in subscribers is anticipated after 1996, we can probably expect a steady growth in demand, with installation fees projected at 5,000 yen, basic rates at 3,000 yen (or possibly from 1,500-2,000 yen if, in exchange for a low basic rate, a high local call rate is charged as it is in the case of cellular phones), and the charge for making a three-minute call at from 30 yen to 50 yen.

From Age of Local Barons to Sengoku Civil War Era

Due to these changes in the environment, competition in the mobile communications industry has escalated from what might be called the "age of feuding local barons," beginning in the spring of 1994, into a full-fledged civil war among powerful, competing warlords, reminiscent of the latter days of the Sengoku period [1477-1573]. At one time, there were over 20 manufacturers in Japan's newly deregulated, domestic portable phone market. Today, only a handful—including Matsushita Communication [Industrial Co., Ltd.], NEC [Corp.], Kyocera [Corp.], Mitsubishi Electric [Corp.] and Toshiba [Corp.]—are still mass producing portable phones. Because prices have fallen by half, closing the price gap with overseas markets, many companies are no longer entering the field but are expecting to come back strong with personal handy-phones. In fact, other than the above-mentioned manufacturers, all with successful records overseas, the only company currently producing over 40,000 to 50,000 units per month is Kyocera, which expanded its market share by using lithium ion batteries. Furthermore, even though the number of new subscribers for portable phone service has fallen off to around 1.5 million in 1995 because of personal handy-phones, an annual demand of 2.5 to 3 million units can probably be sustained, given that the total cumulative number of subscribers is over 4 million and new phones are bought every three years or so.

However, Japan has only 10 to 20 percent of the world market for mobile phones, and global trends will have a much more important impact on its key parts manufacturers. Monthly orders for key parts for the domestic market have slowed down since the fall of 1994 in year-over-year comparisons; orders for overseas markets for this same period, however, have continued to grow at a rate of about 30 percent.

In terms of market shares, although Motorola Corp. (USA) ranks first among the handset makers, followed by Nokia Corp. (Finland), Japanese makers like Matsushita Communication, NEC, Mitsubishi Electric, Toshiba, Oki Electric [Industry Co., Ltd.] and Uniden [Corp.], companies also in the top ten, collectively hold close to one-half of the market.

Again, despite the deregulation of pocket pagers, there is a strong likelihood that some of their users will be lured away by personal handy-phones. Deregulation is expected to increase the numbers of new makers entering the market, but for the present, at least, few electronics makers have entered the field and the situation is expected to remain unchanged. One reason is that companies are not putting too much of their energies into pagers in anticipation of the likelihood that mobile communication assembly lines will be getting busy in response to the demand for personal handy-phones.

Most to benefit from the inauguration of domestic PHS service will be the market for PHS relay stations. The first round of installing cellular phone stations is already in the process of winding down. PHS stations, on the other hand, are projected in the next five years to create a one-trillion-yen market in Japan. Averaged out on a yearly basis, this means a 200-billion-yen market. If the typical price per unit is 50,000 yen, this is the equivalent of 4 million terminals or, at 30,000 yen per unit, 6.5 million terminals per year, making for a gigantic market in portable phones, including personal handy-phones, alone greater than the entire terminal market. Moreover, even though advanced technology is required, it is a field with a clear future and a high degree of profitability.

Sewage Works Ordered To Prevent Bid Rigging

*OW0108090595 Tokyo KYODO in English
0716 GMT 1 Aug 95*

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — The Construction Ministry ordered a public sewage corporation Tuesday [1 August] to take measures to prevent a recurrence of unfair business practices such as bid-rigging, ministry officials said.

The officials said the order was issued by Construction Minister Koken Nosaka to Keisuke Kiuchi, head of the Japan Sewage Works Agency.

The action followed about two months of investigation into the agency's business procedures, including bidding and contract awarding systems and in-house inspection on transactions, they said.

Tomiichi Nishikawa, a former executive of the agency, and 17 employees of nine heavy electrical machinery makers were indicted in June for alleged involvement in bid-rigging for public sewage projects in 1993.

Nishikawa, 57, was accused of helping the nine companies prearrange the shares of each successful bidder.

The Construction Ministry order called for the agency to allow more companies to take part in bidding for sewage projects, the officials said.

At present, only designated companies are allowed to bid for projects worth up to 2.43 billion yen, they said.

The agency also was ordered to take measures to prevent information such as the estimated cost of each project from leaking to bidders, the officials said.

The ministry instructed the agency to increase the number of staff members on its bid surveillance commission, they said.

Hashimoto Urges Support for Small Firms

*OW0108060795 Tokyo KYODO in English
0507 GMT 1 Aug 95*

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — Trade Minister Ryutaro Hashimoto on Tuesday [1 August] stressed the need for the government to pay particular heed to smaller firms when it compiles a national budget for fiscal 1996 which starts next April.

Speaking at a regular press conference after the day's cabinet meeting, Hashimoto noted that almost all cabinet members emphasized the need for such a measure during a campaign for the House of Councillors election July 23.

On Tuesday, during informal conversations between ministers after the cabinet meeting, Finance Minister Masayoshi Takemura drew attention to the issue, Hashimoto noted.

Hashimoto said he has instructed the small and medium enterprise agency to examine the matter immediately so it can make a request in time for the government's decision on ceilings on budgetary requests from ministries and agencies, scheduled for Friday.

Turning to the question of reducing gas charges, Hashimoto said he has instructed the natural resources and energy agency to study the possibility of extending the temporary reduction in such charges beyond October when the measure is to end.

The cut in charges, started earlier this year, is designed to return to consumers the gains made from cheaper imports of the raw materials to make gas because of the strong yen.

Hiroshi Watanabe, the head of the Japan Gas Association, has expressed the industry's intention to maintain gas charges at the present level, Hashimoto said.

Budget Boost for Technological R&D Sought

*OW3107142295 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 27 Jul 95 Morning Edition p 5*

[FBIS Translated Text] The Ministries of International Trade and Industry [MITI], Education [MOE], and the Science and Technology Agency [STA] compiled a plan to double the national budget for research and development [R&D] its present 2 trillion yen plus annually to 4.3 trillion by fiscal year 2000. These ministries will negotiate with the Ministry of Finance [MOF] to create a "special science and technology category" independent from the budget request ceilings set for the FY96 budget to facilitate yearly increases.

The main points of this plan include strengthening basic and creative research in advanced sciences—such as biotechnology—and renovating dilapidated facilities at state universities and research institutes.

MITI Minister Hashimoto will present the plan to an informal cabinet meeting on budget formulation on 28 July.

It has often been pointed out that Japanese researchers in the universities and government institutes work in a much inferior environment than their European and U.S. counterparts. Per capita research fund is half of that in the United States. Over 80 percent of the facilities in national research institutions have exceeded their durability period and there is a proliferation of wornout equipment and facilities.

Although the "Outline of Policy on Science and Technology" passed by the cabinet in April 1992 stipulated that "the national government's research and development budget should be doubled as soon as possible," R&D funding in the FY95 budget (sum of expenditures for science and technology development and other R&D items in special budget categories) is around 2.5 trillion yen, representing an increase of only 400 billion yen from FY92, the year the "Outline" was formulated. The present plan calls for expanding R&D spending to 4.3 trillion yen by fisical year 2000.

In recent years, the R&D budget has been increasing by 4 to 6 percent over the preceding fiscal year. However, an annual growth rate of more than 10 percent will be necessary to double R&D allocation by fisical year 2000.

The new plan calls for programs to expand basic research in biotechnology, information and communications, and other advanced technology, to improve research environment in state universities and research institutes, to assist joint R&D projects by industry, academia and government, and to establish the technical basis for safety assessment standards.

Furthermore, in view of the increase in the number of young "post-doctorate" researchers who cannot find jobs after completing doctoral studies, ways to assist and employ these researchers are also being considered.

MITI, MOE, and STA believe that the results of R&D will benefit the people extensively in the long-term, and therefore, R&D should be regarded as "intellectual resources" similar to the social infrastructure, which can be funded by the issuance of construction bonds. These three ministries intend to ask MOF to deal with R&D funding flexibly, including considering the issuance of government bonds for this purpose. However, MOF is unwilling because of the recent rush of demands for "special budget categories." Rough going can be expected in the inter-ministerial consultations.

Ruling Parties Pledge Efforts To Boost Economy

OW0108113395 Tokyo NIHON NEIZAI SHIMBUN in Japanese 1 Aug 95 Morning Edition p2

[FBIS Translated Text] On 31 July, leaders of the government and ruling parties held a liaison meeting and confirmed that the three coalition parties intend to pour their utmost efforts in concert toward boosting the economy. The next Liberal Democratic Party [LDP] presidential election coming up in September is causing turmoil over plans to reshuffle the current cabinet lineup. In addition, the solidarity of ties among the ruling parties has weakened due to, among other reasons, the question of Finance Minister Masayoshi Takemura's position in the current administration still being up in the air. Under these circumstances, it is believed that the government and ruling parties hope to reaffirm their unity by placing the issue of improving the economic situation up front.

At the beginning of the liaison meeting, Takemura said: "I stirred up some confusion with my announcement regarding my position in my party, but I intend to remain as the party chairman; therefore, I would like to ask your cooperation." Following Takemura's remarks, the LDP's parliamentary floor leader, Takashi Fukaya, stressed the need to implement pump-priming measures, saying: "The three parties should act in concert to tackle important issues, including pump-priming measures, at the extraordinary Diet session in the fall."

LDP Secretary General Yoshiro Mori echoed Fukaya's remarks, saying: "Implementing pump-priming measures is our commitment. At the extraordinary Diet session, we must show that the three parties can come through with this." LDP Policy Research Council Chairman Koichi Kato asserted: "The New Frontier Party and some businessmen are saying that the economy will not improve if the LDP and the Social Democratic Party of Japan join hands, but that is a mistake."

Coalition Approves Structural Reform Budget

OW0108113595 Tokyo KYODO in English 1124 GMT 1 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — The ruling coalition parties on Tuesday [1 August] approved a proposal by the Finance Ministry to earmark an additional 130 billion yen as special expenditures for structural reforms of the domestic economy in the budget for fiscal 1996, starting next April 1, ministry officials said.

The proposal was made at a policy coordination meeting of the ruling coalition parties, which have discussed a scheme to give priority to such areas as science, technology and telecommunications in setting a ceiling for growth of budget requests by government ministries and agencies, the officials said.

The Finance Ministry also proposed to continue the current fiscal year's special allocation worth 300 billion yen for priority public works projects into the next fiscal year, with a view to further reviewing shares of public investment among the ministries and agencies, they said.

The government is scheduled to decide on the budget ceiling at a cabinet meeting Friday.

As for reconstructing areas of western Japan devastated by the Jan. 17 Kobe earthquake, as well as for supporting domestic farmers affected by farm trade accords under the Uruguay round global talks, the ministry decided to abstain from earmarking special outlays in the fiscal 1996 budget, they said.

The ministry instead assumed a positive stance toward appropriating substantial sums for such purposes within a second supplementary budget for the current fiscal year to be compiled this autumn, they said.

Calls for special budget allocations for advanced technologies were growing among the governing coalition parties — the Liberal Democratic Party, the Social Democratic Party [Social Democratic Party of Japan — SDPJ] and New Party Sakigake [Harbinger] — to promote reforms of the nation's economic structure.

Special outlays for reconstruction of the quake-ravaged areas were also requested among them.

At the day's policy coordination meeting as well, similar calls were voiced one after another from the Ministries of Education, Science and Culture and Posts and Telecommunications, and the Science and Technology Agency among others, the officials said.

The Finance Ministry decided not to allow special allocations for each ministry and agency out of fear that government expenditures would swell, they said.

Instead, it worked out an idea of adding special outlays by raising funds through further retrenchment in expenses for government administration and clerical work, they said.

Within the additional outlays, budget requests by each ministry and agency will be apportioned in accordance with priority for reforms of economic structure, they said.

As an overall guideline, the ministry has decided to impose a 10 percent cut on budgetary ceilings on ordinary administrative costs from the previous year's initial budget, while allowing official investment-related outlays to be raised 5 percent, they said.

Murayama 'Noncommittal' About Cabinet Reshuffle

OW0108044895 Tokyo KYODO in English
0415 GMT 1 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — Prime Minister Tomiichi Murayama on Tuesday [1 August] was noncommittal about reshuffling his 13-month-old cabinet.

"I haven't made any particular comments. Only other people are making a great fuss about it," he told reporters at his official residence in response to a question about his stance on a cabinet reshuffle.

Although the heads of the three parties in the ruling coalition agreed early this month to make changes to the cabinet, there are conflicting views over their scale and timing.

Attention is focused on whether Finance Minister Masayoshi Takemura, leader of New Party Sakigake [Harbinger], will remain in the cabinet.

According to his aide, Takemura wants to resign to take responsibility for a series of scandals involving senior Finance Ministry officials, and to concentrate on his duties as the head of Sakigake, the smallest partner in the ruling coalition.

Murayama, who is also chairman of the Social Democratic Party [of Japan], Takemura and Foreign Minister Yohei Kono, who heads the Liberal Democratic Party, are scheduled to discuss the cabinet reshuffle issue on Friday.

Mori Renews Support for Kono's Reelection Bid

OW0108092095 Tokyo KYODO in English
0837 GMT 1 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — Yoshiro Mori, the embattled secretary general of the ruling Liberal Democratic Party (LDP), on Tuesday [1 August] renewed his support for LDP President Yohei Kono's reelection bid.

Saying an LDP president has an opportunity to serve two consecutive two-year terms, Mori said at a news conference that his role as secretary general is to help Kono win his second term in office.

Both Kono and Mori have been under pressure to step down because of the LDP's poor showing in the July 23 House of Councillors election.

Mori also said it is "natural" for the party to have a fair presidential election involving Kono and other contenders.

International Trade and Industry Minister Ryutaro Hashimoto is also readying himself to run for the Sept. 29 LDP presidential race.

Commenting on a potential reshuffle of Prime Minister Tomiichi Murayama's cabinet, Mori said it is advisable for Murayama, chairman of the Social Democratic Party [Social Democratic Party of Japan], Kono and New Party Sakigake [Harbinger] chief Masayoshi Takemura to help determine the new cabinet line-up.

He said the three leaders will discuss the timing and size of the cabinet shake-up on Friday.

Toshiba, Singapore Set Up Medical Venture

OW3107064995 Tokyo KYODO in English
0518 GMT 31 Jul 95

[FBIS Transcribed Text] Tokyo, July 31 KYODO — Toshiba Corp. said Monday [31 July] it has established a joint venture in singapore to market and service advanced medical diagnostic equipment in Southeast Asia.

The Tokyo-based electronics maker said the new firm, Toshiba Medical Systems Asia Pte. (TMA), will start operating Tuesday.

TMA, capitalized at 8 million Singapore dollars, is 70 percent owned by Toshiba and 30 percent by Gold Lite Pte., Toshiba's medical equipment distributor in Singapore, the company said.

The new firm will market and service the full range of Toshiba's medical diagnostic equipment, including diagnostic X-ray systems, X-ray computed tomography systems, magnetic resonance imaging systems, diagnostic ultrasound systems and diagnostic nuclear medicine systems, the company said.

It said the new venture aims to boost sales to 100 million Singapore dollars in the year 2000 as the medical equipment market in Southeast Asia is growing rapidly at a double-digit annual rate.

JETRO: Manufactured Goods Imports Increasing

OW3107130695 Tokyo KYODO in English
1237 GMT 31 Jul 95

[FBIS Transcribed Text] Tokyo, July 31 KYODO — Manufactured goods accounted for 55.2 percent of Japan's total imports in 1994, up from 52.0 percent the previous year, the Japan External Trade Organization (JETRO) reported Monday [31 July].

The rise in imports of manufactured goods was due to the strong yen, which has made foreign products price-competitive in Japan, and an increase in homeward imports from Japanese manufacturers' overseas plants, JETRO said.

The semi-governmental organization put the import ratio of manufactured goods at 57.7 percent for the first six months of 1995.

Japan's exports in 1994 increased 9.6 percent to 395.6 billion dollars, while imports rose 14.2 percent to 274.7 billion dollars, JETRO said. Imports of general machinery and other capital goods climbed 25.5 percent and those of consumer goods, such as home appliances, grew 25.4 percent.

JETRO also reported that Japan's exports of capital goods to east Asia increased 22.5 percent to 89.9 billion dollars and imports from the region rose 43.1 percent to 15.9 billion dollars.

Exports of capital goods to east Asia far exceed imports because Japanese plants in the region remain reliant on their parent companies in Japan for parts, production equipment and other supplies, JETRO said.

Exports of capital goods will remain brisk as Japanese manufacturers are set to increase overseas operations, JETRO added.

Report Shows Increase in Commercial Sales

OW3107102095 Tokyo KYODO in English
0832 GMT 31 Jul 95

[FBIS Transcribed Text] Tokyo, July 31 KYODO — Japan's commercial sales inched up 0.7 percent in June from a year before to post a fifth straight rise on such gains as petrochemicals, air conditioners and cars, the Ministry of International Trade and Industry (MITI) said Monday [31 July].

Sales by commercial enterprises totaled 54.62 trillion yen for the month, with wholesale sales up 0.8 percent from the same month a year earlier to 43.67 trillion yen and retail sales up 0.2 percent to 10.95 trillion yen, MITI said in a preliminary report.

Among wholesalers dealing with investment goods, rises in private-sector electrical equipment and semiconductor imports and exports overcame declines in cement and cement products, the report said.

Production-goods sales were up on higher sales of steel and petrochemicals, while consumption goods got a boost from higher fresh fruit and vegetable prices despite beer volume declines, it said.

On the retail side, sales of new and used cars and air conditioners were up on replacement demand, with fresh seafood down and clothing sales off on a strong trend for cheaper prices, MITI said.

Isuzu To Start Auto Venture in Philippines

OW0108090095 Tokyo KYODO in English
0803 GMT 1 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — Major Japanese automaker Isuzu Motors Ltd. said Tuesday [1 August] it will launch a joint venture in the Philippines to import, assemble and market its vehicles.

The Tokyo-based company affiliated with General Motors Corp. of the United States said the new company will build an assembly plant in Binan, Laguna, to start operations in September 1996.

The venture, Isuzu Philippines Corp., will be established jointly with Ayala Corp. and Rizal Commercial Banking Corp., both of the Philippines, and Japanese General Trading House Mitsubishi Corp., the company said.

The new company will be incorporated in early August and the assembly plant will be built at Laguna Technopark in Binan.

The company said its wholly owned subsidiary Isuzu Motors Filipinas Inc. which imports, assembles and markets Isuzu vehicles in the Philippines will be dismantled when the new venture starts operating.

The new venture plans to produce 7,000 vehicles in 1997, which will be raised to 15,000 in 2000, the company said. Annual sales set at 3.5 billion pesos in 1997 will rise to 6.5 billion pesos in 2000, it said.

Auto Dealers Post Profit in FY94

OW0108092695 Tokyo KYODO in English
0852 GMT 1 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — Member companies of the Japan Automobile Dealers Association posted an average pretax profit of 69.45 million yen for the business year that ended March 31, in a turnaround from an average loss of 1.25 million yen the previous year, the industry association reported Tuesday [1 August].

Average sales by the 1,460 member dealers gained 12.5 percent to 8.92 billion yen.

The association attributed the profit turnabout to an 11.5 percent increase in domestic sales of new cars and cost-cutting efforts by dealers.

However, dealers of imported cars posted an average pretax loss of 58.85 million yen, the second consecutive annual loss and a deterioration from a loss of 55.50 million yen the previous year.

Average sales increased 6.2 percent to 3.77 billion yen.

The association blamed the poor performance on tough competition among dealers of imported cars and between dealers of imported and Japanese-made cars.

In addition, imported car dealers were forced to cut prices to pass on to consumers the benefits of the strong yen, the association said.

Overseas Color TV Production Rising Sharply

OW0108092895 Tokyo KYODO in English
0617 GMT 1 Aug 95

[FBIS Transcribed Text] Tokyo, Aug. 1 KYODO — Japan's domestic production of color television sets is on the sharp downswing after dropping below 10 million units last year for the first time in 15 years, a consumer electronics industry association said in a survey report Tuesday [1 August].

The Electronics Industry Association of Japan attributed the production decrease to the yen's surge, which caused Japanese manufacturers to shift their production from Japan to overseas.

Domestic color TV production in the first half of this year fell 14.1 percent from a year earlier to 4.02 million and industry estimates put production for the whole year at around eight million, down from 9.44 million last year.

Association officials said overseas color TV production by Japanese transplants is now triple the domestic production.

The survey shows production has been falling steadily since 1985 when it peaked at 17.90 million.

The production decreased for three consecutive years from 1992, falling below the 10 million level in 1994.

Japanese manufacturers are expanding domestic production of large wide-screen sets while stepping up imports of conventional sets from their overseas plants, the officials said.

North Korea

U.S. Accused of 'Distorting Historical Facts'

SK0108102995 Pyongyang KCNA in English
1016 GMT 1 Aug 95

["Foreign Ministry Spokesman on U.S. Events To 'Mark' Korean War"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 1 (KCNA) — A spokesman for the Foreign Ministry of the Democratic People's Republic of Korea issued a statement today accusing the United States of distorting historical facts and seriously getting on the nerves of the DPRK with recent events in Washington to "commemorate" the Korean War, to which South Korean authorities were invited.

The spokesman said:

This came at a time when the situation is moving toward detente with the beginning of the implementation of the framework agreement between the DPRK and the United States, in which the U.S. was committed to renounce the hostile policy toward the DPRK.

We cannot but take a serious view of the U.S. authorities' behavior.

The "events to commemorate" the Korean War conflict with the spirit of the framework agreement. They were anachronistic events, motivated by the Cold War era mode of thinking which is harmful to peace and security on the Korean peninsula and in the rest of the Asia-Pacific region and antagonistic to the DPRK.

The U.S. authorities invited South Korean authorities to various activities and discussed a "joint strategy against North Korea" with them. This was aimed at backing the South Korean authorities isolated and forsaken at home and abroad, inciting antagonism against the DPRK and making an excuse for a permanent U.S. military presence in South Korea.

This shows that the United States intends to invariably keep its political and military confrontation with the DPRK while continuing its pro-South Korean policy.

At "summit talks," a "joint press conference" and the "unveiling ceremony of a monument" the United States and South Korean authorities decided to strengthen their "cooperation system" against the DPRK and promote the improvement of DPRK-U.S. relations in step with inter-Korean dialog and improvement of inter-Korean relations. They also urged the DPRK to fulfil its "nuclear commitment." This is an attempt to raise a new precondition for the implementation of the framework agreement on the settlement of the nuclear issue and the DPRK-U.S. relations.

"Resumption of inter-Korean dialog" and "transfer of remains of U.S. soldiers," which the United States raised as preconditions for improvement of its relations with the DPRK, are all nonsense and deserve no argument.

Removal of hostile relations and normalization of relations between the DPRK and the United States are the joint objectives upon which both sides have agreed. There can be no precondition for them.

Normalization of relations is not a benefit offered by one side to the other; it is not commercial dealings, either.

The United States is mistaken if it thinks the DPRK will meet its unreasonable demands to improve relations with it.

We will beg for nothing to improve our relations with the United States. The U.S. must be aware of this.

If DPRK-U.S. relations are improved, inter-Korean relations will no doubt follow suit.

As far as the "nuclear commitment" is concerned, it is in essence a bilateral commitment between the DPRK and the United States. The DPRK will freeze its nuclear activities in return for U.S. provision of light-water reactors.

The "nuclear commitment" came into being at the request of the United States and not of the DPRK. Moreover, the DPRK has already frozen its nuclear activities. It is time the United States sincerely fulfilled its obligation.

The U.S., however, is taking issue with the DPRK while ignoring the principle of simultaneous action, which is vital to the DPRK- U.S. agreement. This arouses suspicions.

As for the remains of U.S. soldiers, this issue has not been settled on a proper level because the U.S. side has failed to sincerely implement the agreement on the remains for a sinister political purpose.

On the humanitarian principle, we have transfered the remains of more than 200 soldiers to the U.S. side on several occasions.

The United States cannot cover up its true color as the provoker of the Korean War in such a way as delaying a solution to the MIAs issue and building a "monument." Its doing so is an insult to the U.S. troops who died in the Korean War and their families and to the people.

It is intolerable that the South Korean chief executive went to Washington and joined himself in the smear campaign against the fellow countrymen in the North, importunately begging for the permanent presence of U.S. troops in South Korea. This goes to clearly show that the South Korean authorities' talk about "reconciliation" and "dialogue" is nothing but a hypocrisy and they are flunkeyists and traitors who can exist only by backing of big powers.

He blared that the issue of a peace-keeping system should be resolved through inter-Korean dialogue. South Korea that is neither a signatory to the Armistice Agreement nor a party concerned in it by law, is now trying to poke its nose into the issue. This is a brazen-faced act of those ignorant of international law and international usage and is also a treacherous act to neglect and nullify the North-South agreement on nonaggression.

He, who has committed blackest crimes against the North and has been isolated totally by the South Korean people, is not entitled to talk about dialogue.

Through the ceremony, the United States has lost his face to call on the DPRK to "resume" inter-Korean dialogue. The "monument" to the Korean War built in Washington by the U.S. administration irrefutably proves that the U.S. admitted that the Korean War was one between the DPRK and the U.S. and, therefore, it is the two that are responsible for the establishment of a peace guarantee system in the Korean peninsula.

What is the basic matter in easing tension and ensuring peace in the peninsula is to dispel hostile relations between the DPRK and the U.S. and have U.S. troops withdrawn from South Korea. This is a matter to be discussed by the DPRK and the U.S. in view of the authority and responsibility for the resolution of these issues or in view of the agreement to make joint efforts for the denuclearization of the peninsula and its peace and security.

A nonaggression agreement was already adopted between the north and the south of Korea and there exists a necessary institutional machine. What should be done now is that the DPRK and the U.S. provide a legal and institutional mechanism for ensuring peace.

The U.S., instead of antagonizing the DPRK and whipping up a war fever through "commemoration of the Korean War," must take a sincere attitude towards the establishment of a new peace mechanism to prevent another war in the Korean peninsula. This will be favorable to the final solution to the nuclear issue in the peninsula and the bilateral relations between the DPRK and the U.S.

If the U.S. keeps to the negative position, we cannot but consider that it is not willing to accept the just proposal of ours and take pertinent measures as we already stated.

South's War Exercises Denounced

SK0108055295 Pyongyang Korean Central Broadcasting Network in Korean 0753 GMT 29 Jul 95

[Unattributed talk: "Undisguised War Exercise Commotion Runs Counter to the Grand March Toward Reunification"]

[FBIS Translated Text] The South Korean war maniacs are conducting adventurous war exercises and viciously committing military provocations near the demarcation line every day, driving the situation to a crisis. As reported, the South Korean war maniacs and U.S. Forces announced on 27 July that they will conduct the adventurous Ulchi Focus Lens '95 joint military exercise, a war exercise for northward aggression, throughout South Korea beginning 21 August. Some 50,000 troops of the puppet army and 16,000 U.S. Forces stationed in South Korea, numerous personnel from all administrative units at the city, county, and higher level, and the newest military equipment will be mobilized for the two-week joint military exercise. Announcing a war exercise with such an enormous number of troops, the South Korean war maniacs overtly raved that the exercise is for a simulated war with North Korea. This is very ill-boding and absolutely intolerable.

As reported, the South Korean puppets and foreign forces are conducting a provocative joint military exercise dubbed Freedom Banner '95 with the participation of armed forces of the South Korean puppet navy and some 5,300 U.S. troops near Pohang in North Kyongsang Province aimed at the northern half of the Republic, under the pretext of demonstrating some interoperability. The South Korean puppet army units also began so-called guerrilla training, extremely straining the situation. The goal of the war exercise, scheduled to last until the end of August, is reportedly to familiarize themselves with mountains and build up endurance and strong bodies.

At this moment, when all 70 million compatriots painfully look back on the 50-year history of division and wage a pan-national struggle to unfailingly open wide the main gate of national reunification, the South Korean puppets are conducting consecutive war exercises against compatriots with foreign forces, despite the upcoming liberation day on 15 August. This is a most overt challenge and intolerable crime running counter to the grand reunification march of compatriots in the North, South, and overseas.

As the entire world knows, with an aim to prevent an arms buildup and a recurrence of war, and to actually guarantee solid peace on the Korean peninsula, we proposed establishing a new peace guarantee system in April 1994 and took a series of implemental steps afterward. This is the most just proposal and measure that reflects the unanimous desire of all Korean people for peace and peaceful reunification of the Korean peninsula, and the demand of the times. The proposal is actively supported and concurred with at home and abroad.

However, the South Korean ruling camp and foreign forces staged yet another large-scale joint military exercise for northward aggression, extremely straining the situation of the country. How can this be overlooked? Earlier this year, the South Korean ruling camp used the army, navy, and air force to conduct an attack-oriented large-scale joint military exercise against us, while babbling such words as full combat posture, retaliation, and reprisal. It also committed with foreign forces war exercises to replace the Team Spirit joint military exercise. Everywhere in South Korea smelled like gunpowder. Furthermore, it viciously perpetuated various maneuvers of reckless military provocations along the Military Demarcation Line in the DMZ [demilitarized zone] agitating us every day. Facts show that the South Korean war maniacs still obsoletely pursue distrust and confrontation, instead of national unity and reunification.

All compatriots at home and abroad have risen to the grand march toward reunification of the fatherland through the grand festival of national reunification, which will be jointly held by the entire nation of the North, South, and overseas on 15 August, the 50th anniversary of the fatherland liberation, under one will to open a breakthrough for achieving reunification in the 1990's with united national strength. Only the South Korean ruling camp is heading toward the road to provoke northward aggression with foreign forces to harm the compatriots, running counter to the national aspiration for reunification. What a vicious challenge against the nation and what a great crime it is.

Not caring about the destiny of the country and the nation, but only being crazy about its own joy and power, the South Korean ruling camp is anxious to block the country's peace and reunification and to draw clouds of war over the nation by conducting war exercises for northward aggression. Its antinational acts are enraging the nation. Our nation is keenly watching the South Korean war maniacs, who intend to escape the crisis by igniting a war of northward aggression in conspiracy with foreign forces. The South Korean bellicose elements should clearly understand that the road toward war against the compatriots is the road toward self-destruction, and stop acting recklessly. They should immediately cancel the adventurous war exercises of northward aggression they have staged with foreign forces.

Pak Yong-kil's Arrest Criticized

SK3107230395 Pyongyang Korean Central Broadcasting Network in Korean 2113 GMT 31 Jul 95

[FBIS Translated Text] According to a broadcast report from Seoul, the South Korean puppet clique committed the fascist violent act of arresting Mrs. Pak Yong-kil, widow of Reverend Mun Ik-hwan, when she returned to South Korea via Panmunjom on 31 July on charges of violating the notorious National Security Law.

By regarding Mrs. Pak Yong-kil's righteous activities for reunification during her stay in Pyongyang as crimes, the puppet clique is viciously maneuvering to arrest and punish her.

Korean compatriots in the North, the South, and overseas, who desire national reunification, hoped for her safe return to South Korea after she paid deep respects to the bier of the great leader President Kim Il-song and made a great contribution to the fatherland's reunification cause. Reflecting the hope of the compatriots at home and abroad, many public organizations of the Republic issued a joint statement, strongly demanding Mrs. Pak Yong-kil's safe return to the South side.

Nevertheless, the puppet clique issued a prior arrest warrant and finally arrested her, thus committing a violent crime. This is an open challenge to our Republic and an intolerable fascist outrage, an additional sin following its unforgivable sin of brandishing a sword to us during the mourning period last year.

The civilian fascist rulers will be made to pay a due cost for their crime.

Arrest Called 'Fascist Crime'

SK0108044095 Pyongyang KCNA in English 0415 GMT 1 Aug 95

["Pak Yong-kil Detained by S. Korean Puppet Clique" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 1 (KCNA) — The South Korean puppet clique arrested Pak Yong-kil, widow of Rev. Mun Ik- hwan, who went back to South Korea Monday through Panmunjom, on charges of violating the notorious "National Security Law," according to a radio report from Seoul.

The puppet clique is viciously scheming to inflict a penalty upon her for her righteous activities for reunification during her stay in Pyongyang.

The Koreans in the North, the South and overseas, who want the reunification of the country, hoped for her safe return. She paid homage to the memory of the great leader President Kim Il-song and made a great contribution to the sacred cause of national reunification.

Public organisations in the northern half of Korea published a joint statement carrying the desire of the Koreans at home and abroad and strongly demanded the South side to ensure her safe return.

The puppet clique, however, issued "a warrant of arrest in advance" and detained her.

This is an open challenge to the DPRK and an unpardonable fascist crime, plus the high treason against the fellow countrymen in the North during the period of national mourning last year.

The "civilian" fascist rulers will pay dearly for their crime.

Pastor An Sung-un Interviewed on 'Defection'

SK0108105795 Pyongyang KCNA in English 1043 GMT 1 Aug 95

["S. Korean Defector Visits Pongsu Church" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 1 (KCNA) — An Sung-un, 50, a South Korean pastor, visited Pongsu Church in Pyongyang on July 31.

He came over to the northern half of Korea some 15 days ago.

Hailing from North Kyongsang Province, South Korea, he graduated from a theological seminary and was confirmed as a pastor at an evangelical church in Youido, Seoul.

He began mission work in Yanbian area of China in March 1992. He came over to the northern half of Korea after realising that his safety was threatened by the "Agency for National Security Planning [ANSP]", an intelligence and plot-breeding machine of South Korea.

Then he answered questions put by reporters after inspection of Pongsu Church.

He first gave his impressions of Pyongyang.

He said he was taken by a thought that he is able to take the spiritual care of a congregation of Christians in the northern half of Korea.

"While touring different places of Pyongyang," he noted, "I came to realise that the North is a harmonious society where all the people lead a bright and pleasant life, which is quite different from what I was told in South Korea."

Referring to the motive of his defection, he said he was determined to come over to the northern half of Korea with a view to getting rid of the crooked tentacles of the "ANSP" of South Korea, which goads even pastors to commit treacheries against the nation, and finding a new path of mission work.

According to the pastor, Han Myong-sik, a section chief of department No. 8 of the "ANSP" (Choe Su-ho or Choe Chong-ho under assumed names), gave money to him for his mission work in China every month and then forced him to assist the "ANSP."

The "ANSP" pressed An Sung-un to help abduct "generals" of the Korean People's Army and people's security forces and "high-ranking government officials" and gather state and military secrets and publications of various kinds.

It also forced him to encourage Chinese laymen to take issue with "human rights."

When the pastor refused to do so, the "ANSP" threatened his safety on telephone.

An Sung-un came to realise that his privacy could not be guaranteed, still less mission work, in the face of the threat from the "ANSP." He also keenly felt through video tape on the North that the only place for him to live in was the North.

He said a great many agents of the "ANSP" were in China to engage themselves in espionage and plot-breeding activities against China and the northern half of Korea and abduction of people.

He keenly felt that with the "ANSP" left intact it is impossible to achieve national reunification, the cherished desire of the Korean nation.

Noting that he has a lot of things to do as the pastor with a mind at ease in the north, he vowed to become a cornerstone for national reunification.

Students in South Protest Kwangju Ruling

SK0108045195 Pyongyang KCNA in English
0409 GMT 1 Aug 95

[FBIS Transcribed Text] Pyongyang, August 1 (KCNA) — Over 200 students of Choson University on July 29 held a demonstration in protest against the police protection of murderers of Kwangju citizens, according to a radio report from Seoul.

The demonstrators denounced the fascist clique for disposition not to institute a public action against the criminals under an unreasonable pretext and demanded punishment of the murderers.

The demonstrators stubbornly fought, pelting stones at the police firing tear gas.

South Denounced for 'Blocking Reunification'

SK0108035595 Pyongyang Korean Central
Broadcasting Network in Korean
2208 GMT 31 Jul 95

[FBIS Translated Text] As has been reported, on 22 July, the South Korean authorities allowed a so-called spokesman of the National Unification Ministry announce that in accordance with their policy, they will not allow joint events of the grand national festival at Panmunjom on the occasion of the 50th anniversary of the fatherland's liberation. They blared that the South side's preparatory committee's communications with the North side via facsimile is a violation of the law on South-North exchanges and cooperation, which is part of the National Security Law.

It is the firm will of all the 70 million compatriots, as well as the trend of the times, to commemorate the 50th anniversary of the fatherland's liberation on a grand scale by holding a grand joint national reunification festival, which will provide the momentum for opening the road to reunification in the nineties.

The South Korean rulers, however, announced their policy of not allowing joint national events on National Liberation Day. This is a grave challenge to the national aspiration for reunification, clearly showing that they are the most vicious national-divisionists. This arouses the stormy anger and indignation of all fellow countrymen.

Although they are talking about North-South dialogue and the like, the South Korean rulers are actually engaged in criminal maneuvers to lock the door to reunification and this clearly discloses the deceptive nature in their call for dialogue.

The antireunification and divisionist nature of the civilian fascist clique was plainly revealed by their repeated block of the pannational rally. The civilian traitorous scoundrels disallow not only the pannational rally, but all contact and independent civilian dialogue between fellow countrymen in the North and the South.

The antireunification and divisionist crimes of the puppet clique are also revealed in the fact that it arbitrarily arrests and punishes youths, students, and people from all walks of life who take initiative in the struggle for the fatherland's reunification.

The fascist clique gave jail sentences to Kim Hyon-chun, former chairman of the Korea Federation of University Student Councils [Hanchongnyon]; Yang Tong-hun, chairman of the Federation of University Student Councils in Kwangju and South Cholla Province and chairman of the Hanchongnyon Fatherland's Reunification Committee; the former chairman of the Kwangju University Student Council; the former director for solidarity activities of the Chonnam University Student Council; and the former chairman of the Fatherland's Reunification Committee of Chonnam University Student Council.

The fascist clique also gave a jail sentence to Yi Chang-pok, permanent chairman of the National Alliance for Democracy and Reunification in connection with the pannational rally in Seoul and is attempting to victimize members of the South side's headquarters of the National Alliance of Youth and Students for the Country's Reunification, on charges of their so-called behind-the-scenes control.

The fascist clique arrested and prosecuted the former manager of the Buddhist Council for Promoting Peaceful Reunification of the Fatherland, who insisted on reunifying the country based on a confederal system; and the editor of the organ of this council. It also imprisoned the editor-in-chief of Ilso, a Seoul publishing house, and the representative of the Him Publishing Co.

The traitorous civilian scoundrels have completely blocked and frozen North-South dialogue and contacts, which were even held during military dictatorial regimes in the past, and have driven North-South relations to their worst phase. Abandoning the implementation of the historic North-South agreement and the joint declaration of denuclearization, they are accelerating armed reinforcement and are continuously waging a provocative war exercise for a northward invasion with outside forces. By doing so, they have revealed their nature as vicious divisionists blocking reunification.

South Korean people from all walks of life will never forgive the civilian traitorous group, which has thrown away its public commitments with regard to the reunification issue like old shoes and has been engaged in antireunification and divisionist maneuvers even more viciously than previous military dictators, since the first day it grasped power.

Pomchonghangnyon Issues Agreement on Festival

SK3107150495 Pyongyang KCNA in English 1501 GMT 31 Jul 95

[FBIS Transcribed Text] Pyongyang, July 31 (KCNA) — The overseas headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) at a press conference on July 27 published a joint agreement on the August 15 events, according to a KNS report from Tokyo.

The joint agreement says the youth and students will make utmost efforts to successfully ensure the August 15 Grand National Reunification Festival and hold the Fifth Grand Reunification Festival of Pomchonghangnyon as part of the August 15 festival.

It notes the Grand Reunification Festival of Pomchonghangnyon will become an occasion of demonstrating the fighting spirit of youth and students to make 1995 the year of national reunification through great national unity. The struggle to get a peace agreement signed and the "National Security Law" abolished and strengthen the propaganda about the proposal for reunification through confederacy is the main aim of the Grand Reunification Festival of Pomchonghangnyon, it stressed.

Referring to the itinerary and content of the Grand Reunification Festival of Pomchonghangnyon, it said that it was agreed that the first meeting of the Central Committee of Pomchonghangnyon, a photo and art work exhibition and a forum of Pomchonghangnyon will be held jointly at Panmunjom on August 15.

Koreans in Japan Denounce South's Festival Ban

SK3007082095 Pyongyang KCNA in English 0807 GMT 30 Jul 95

[FBIS Transcribed Text] Tokyo, July 28 [date as received] (KNS-KCNA) — Kim Chong-su, chairman of the Association of Koreans in Japan for Peaceful Reunification, in a press statement on July 27 denounced the South Korean authorities' decision not to allow the August 15 grand national reunification festival at Panmunjom as an unpardonable, grave challenge to the desire of the fellow countrymen for reunification and an intolerable insult upon the Koreans in Japan.

He said they would fully expose and smash the moves of the splittist forces against reunification and make all their efforts to make a success of the grand reunification festival, in firmer unity with the compatriots in the North, the South and abroad.

Chongnyon Groups Arrive in Wonsan

SK3107075495 Pyongyang KCNA in English
0457 GMT 31 Jul 95

[FBIS Transcribed Text] Pyongyang, July 31 (KCNA) — Delegations and visiting groups of the General Association of Korean Residents in Japan (Chongnyon) arrived in Wonsan to visit socialist homeland by the ship "Mangyongbong-92" on Sunday [30 July].

They are a delegation of Chongnyon officials led by Yi Tal-kuk, vice-director of the International Department of the Chongnyon Central Standing Committee, a delegation of Chongnyon educationalists led by Song To-hon, vice-director of the Haku Sobang Publishing House, a visiting group of students of the Korean University led by O Kyu-sang, the 241st short-term visiting group of Korean compatriots in Japan and other visiting groups of Chongnyon.

Lay Flowers on Mansu Hill

SK0108043095 Pyongyang KCNA in English
0408 GMT 1 Aug 95

[FBIS Transcribed Text] Pyongyang, August 1 (KCNA) — A delegation of officials of the General Association of Korean Residents in Japan (Chongnyon), a delegation of Chongnyon educators, a home-visiting group of students of the Korean university and other home-visiting groups of Chongnyon visited the statue of the great leader President Kim Il-song on Mansu Hill to lay floral baskets and bouquets and make bows in reverence.

Anniversary of Chinese Army's Founding Marked

PRC Embassy Holds Party

SK0108043895 Pyongyang KCNA in English
0411 GMT 1 Aug 95

[FBIS Transcribed Text] Pyongyang, August 1 (KCNA) — The military attache of the Chinese Embassy in Pyongyang on Monday gave a cocktail party at the embassy on the occasion of the 68th anniversary of the foundation of the Chinese People's Liberation Army.

Invited there were Vice Marshal Kim Kwang-chin and generals and officers of the Korean People's Army and military attaches of different embassies in Pyongyang.

The charge d'affaires ad interim and officials of the Chinese Embassy were present there.

Speeches were made at the party.

KPA Unit Holds Meeting

SK2907054095 Pyongyang KCNA in English
0436 GMT 29 Jul 95

[FBIS Transcribed Text] Pyongyang, July 29 (KCNA) — A meeting of soldiers was held at a unit of the Korean People's Army [KPA] on July 28 on the 68th founding anniversary of the Chinese People's Liberation Army.

Invited there were charge d'affaires ad interim of the Chinese Embassy here Sui Xudong and military attache of the embassy Liu Jianhua. [names as received]

Speeches were made at the meeting.

Chinese Delegations Conclude Visits to Pyongyang

Shandong CPC Delegation

SK3107113095 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 27 Jul 95

[FBIS Translated Text] A delegation of the CPC Shandong Provincial Committee led by Li Wenquan, its deputy secretary, returned home today by train. Relevant functionaries and PRC interim charge d'affaires to the DPRK saw the delegation off at Pyongyang station.

CPC Central Committee Group

SK3107222695 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 26 Jul 95

[FBIS Translated Text] The delegation of the International Liaison Department of the CPC Central Committee, led by its deputy head (Liu Jingxian), returned home today by train. Kim Yang-kon, vice director of a department of the Workers Party of Korea Central Committee, and (Sui Xudong), PRC interim charge d'affaires to the DPRK, saw the delegation off at Pyongyang station.

Kim Yong-nam Sends Greetings to Beninese

SK3107074295 Pyongyang KCNA in English
0455 GMT 31 Jul 95

[FBIS Transcribed Text] Pyongyang, July 31 (KCNA) — Foreign Minister of the DPRK Kim Yong-nam sent a message of greetings to Edgar Yves Monnou [spelling of name as received] on his appointment as minister of foreign affairs and cooperation of Benin.

The message expressed the belief that the friendly and cooperative relations between the two countries would continue to develop on good terms in the future, too.

Kim Chong-il Thanks Those Moving to Countryside

SK0108030595 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 15 Jul 95

[FBIS Translated Text] Comrade Kim Chong-il, the great leader [yongdoja] of our party and our people, sent thanks to the following people who voluntarily advanced to socialist rural areas: Pak Il-su, vice director of the Sinam district party committee in Chongjin; Kang Yong-kun, section chief of the Pyoktong County party committee; Choe Hak-nim and Kong Taek-son, members of the county's party committee; Chon Taek-sop and Kim Kang-kyu, members of the Songpyong district party committee in Chongjin; Kim Tae-sik and Chu Ki-chol, members of the Kumya County party committee; Kim Sang-ho, member of the Sakchu County party committee; Kim Chun-hwan, member of the Kowon County party committee; Paek Il-kyong and Kim Song-nam, members of the Yongchon County party committee; Cho Hung-yol, member of the Changnyong County party committee; Hong Sok-chun, secretary of the unit party committee of the Sinpo Fishery Station Refrigeration Shop No. 1; and Kim Hyong-kun, secretary of the primary party committee of Pyonghwatong, Nanam District, Chongjin.

The great leader Comrade Kim Chong-il also sent thanks to Chang Tok-ho, vice director of the Taesong district party committee; Choe Pong-nok, member of the Nampo municipal party committee; and Hong Yong-hwan, member of the Mangyongdae district party committee, who have expressed their determination to advance to socialist rural areas.

With the great honor and happiness in receiving thanks from the great leader Comrade Kim Chong-il, these people are overflowing with the revolutionary zeal to devote all their bodies and minds for realizing the party's grand idea for rural construction and imminently to achieve a bumper crop in this meaningful year, in which the 50th party founding anniversary will fall.

Thanks Officials for Rural Work

SK0108042395 Pyongyang KCNA in English 0406 GMT 1 Aug 95

[FBIS Transcribed Text] Pyongyang, August 1 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to Kil Kun-o, secretary of the sub-primary party committee of the associated bureau for the shoe-making industry; Yi Nung-hi, secretary of the primary party committee of the city construction corps of the Taedonggang District, Pyongyang; Yim Yun-kun, secretary of the primary party committee of the water supply and drainage management office of the Taedonggang District; Kim Yong-chae, secretary of a primary party committee in Sosong District; and their families who volunteered to the socialist countryside.

Speakers at meetings for conveying thanks expressed their firm determination to play a vanguard role in carrying through the party's policy of agriculture.

Norwegian Delegation Sends Kim Chong-il Gift

SK3007082195 Pyongyang KCNA in English 0808 GMT 30 Jul 95

[FBIS Transcribed Text] Pyongyang, July 30 (KCNA) — The great leader Comrade Kim Chong-il received a gift from a friendship visiting group of the Norwegian Communist Party.

It was handed to an official concerned by head of the visiting group Dag Norum, international secretary of the party Central Committee.

Kim Chong-il Boosts Military's Stature

952C0151A Pyongyang NODONG SINMUN in Korean 9 Apr 95 p 2

[Article by Reporter Yi Chong-su: "Having the Great Master of the Art of Military Building"]

[FBIS Translated Text] Today our country shines brilliantly over the world as a socialist state with a self-defense capability which no imperialist aggressor can dare to provoke.

Seeing this great reality, which evokes in them national pride and revolutionary confidence, our people cannot help but feel infinite respect and admiration for the respected and beloved Comrade Kim Chong-il, chairman of the DPRK National Defense Commission and supreme commander of the Korean People's Army [KPA].

The self-defense capability of our country, which has been consolidated into an impregnable fortress, and the mettle of our invincible KPA would be unthinkable but for the wealth of exploits produced by Commander Kim Chong-il in the chuche cause of military building.

The great leader Comrade Kim Il-song taught as follows: "Comrade Kim Chong-il has indomitable willpower and courage, outstanding resourcefulness, and a mastery over the art of command worthy of his position as supreme commander, and therein lies the guarantee for the constant strengthening and development of our revolutionary armed force and its invincibility."

With clairvoyant insight into the importance and role of military building in the process of carrying on from generation to generation the chuche cause of revolution pioneered by the Great Leader soon after embarking upon the road of revolution, the respected and beloved Comrade Kim Chong-il placed top priority on strengthening the KPA, the nucleus of the self-reliant defense force.

In brilliantly carrying on and developing the great leader's chuche-based thought, theory, and method for military building, the respected and beloved Comrade Kim Chong-il attached priority to the soldiers under arms over the power of any modern military gear, and under this priority he has forged into a legion of loyal and filial sons and daughters. This is a great exploit of the respected and beloved Comrade Kim Chong-il, the most distinguished commander in the world.

People still vividly remember the anecdotal significance of 1 January 1975, the date marking a milestone worthy of special mention in the annals of chuche-based military building.

On that day the great Commander Kim Chong-il personally met with the pertinent KPA functionaries to outline the fundamental tasks in further augmenting the KPA's strength and the methods for carrying out the tasks. On this occasion he set the grand goal of converting the whole army to the chuche ideology for the first time in the human history of military building. The respected and beloved Comrade Kim Chong-il pointed out that only by successfully accomplishing the chucheization of the whole army will it be possible to constantly strengthen the KPA as the party's army, the leader's army, and as an invincible revolutionary armed force, and make all our military personnel defend the country and the revolution, the party and the leader, as the apple of its eye.

The conversion of the whole army to the chuche ideology!

Impregnated in this thought is the granite determination to consolidate the revolutionary army forever as the army of the party and the leader. Reflected in it is the daily agenda of unlimited cogitation and enthusiastic inquiry, as well as the great vision of the outstanding commander of Mt. Paekdu.

At this juncture, as we stand on the threshold of the 21st century, we feel all the more keenly in our hearts how lucky we have been to be able to sustain ourselves, withstanding all severities from one generation to another, under this great banner of military building.

What happened to the numerous national armies which used to boast of their long traditions and formidable military power in various places of the world? A tragedy overtook them overnight. The armies that should have defended their revolutionary gains began to sway, and ended up losing overnight the cause of socialism they had won with blood, fooled by the reactionary sophistry of the imperialists and revisionists clamoring about the so-called "neutrality" and "non-politicization" of armies. But our KPA personnel have grown into an invincible force stoutly defending our way of socialism with their guns, united airtight around the supreme commander on the basis of the unitary ideology—the chuche ideology—and regarding loyalty to the party and the leader as something above their natural lives.

Even in peacetime, not to mention arduous wartime, Kim Kwang-chol, Han Yong-chol, and numerous other soldiers acted like human shields and sacrificed their own lives to save the precious lives of their comrades in revolution. The stories of the heroism displayed by our KPA members touch the heartstrings of every one of us. The stories of Comrades Kim Kyong-chol and Kim Chol-chin, who fought gallantly in isolated, enemy-held territory, without wavering in the least, and finally succeeded in returning to the bosom of the great commander. People are moved profoundly by these stories as they observe with emotion the singular ideological and mental strength of our army cultivated under the care of the great commander. As amazed by the whole world, this strength is more powerful than any nuclear weapon the imperialists noisily flaunt.

Supreme Commander Kim Chong-il has brought up the KPA, the core of our self-defensive capability, to be a mighty fighting force of wholeheartedly loyal and filial sons and daughters, ready to sacrifice their lives in fighting for the sake of the party and the leader. In this process he has made an immortal contribution to adding a new chapter in the history of building a self-defense force by thoroughly implementing the policy of placing all the people under arms and converting the whole country to a fortress.

The following event took place some decades ago.

One day the great commander personally summoned the pertinent KPA functionaries to give them a valuable lesson on problems arising in the task of beefing up the overall strength of our revolutionary army to suit the prevailing situation and the demands of the developing revolution.

Using his superb military acumen to elucidate the lessons of the world history of warfare one by one, the great commander set an epochal direction and spelled out methods for strengthening the revolutionary armed forces, stating that he was determined to turn the whole country into a veritable Xiaowangqing [a former guerrilla base of the Korean revolutionary army in Manchuria].

Those present on that occasion could not but be enveloped in joy and surprise.

The whole country into a "Xiaowangqing"!

Reflected in his brief statement was his iron-clad conviction and determination to beef up our defense capability hundred or thousand times.

Xiaowangqing is a symbol of all-people resistance.

Fierce indeed was the guerrilla fighting in defense of Xiaowangqing—the saga of winning this battle adorns a chapter in the annals of our revolution!

How was it possible for two guerrilla companies to defeat a large elite enemy force even supported by aircraft and artillery?

It was made possible because the guerrillas and local inhabitants were united as one and fought daringly to defend the guerrilla base, which was the cradle of the revolution and the foundation of their living.

It is no wonder in his memoir that the great leader described the invincibility of the guerrilla force by referring to it as the spirit of the guerrilla-controlled zone and declared that no force on earth could overwhelm this spirit, which was born and cultivated in the thick of gunfire during the anti-Japanese war. He asserted that our army and people would be forever invincible as long as they maintained this spirit.

Supreme Commander Comrade Kim Chong-il has consolidated our self-defense capability in every possible way by carrying on the noble desire of the great leader intact!

By the hand of his leadership our country has been consolidated into an impregnable fortress, with the beautiful ethos of military-civilian unity bursting into full bloom. This unity has become a powerful weapon capable of mercilessly crushing the imperialists and reactionaries' audacious, wild machinations to isolate and strangle our way of socialism.

"A world model for building a self-defense force."

"Supreme Commander Kim Chong-il is a great master in the art of military building in the age of self-reliance."

These are the excited voices that exploded among the foreign guests observing the military review during the ceremony marking the 60th anniversary of the KPA's founding.

The strength of each nation's armed forces is wholly dependent upon the greatness of its military supreme commander. This may explain why there is an old saying that there can be no weak force under a strong commander.

One day in March in the year before last a surprising event happened to a certain functionary.

At that time tension had risen so high that it seemed that war might break out at any moment. Under these circumstances, he received a phone call from the supreme commander in the middle of the night. For a moment he expected the supreme commander to give some instruction regarding the tense atmosphere. But unexpectedly, the respected and beloved supreme commander asked him about the progress in the construction of the monument in memory of victory in the Fatherland Liberation War.

The attitude of the supreme commander was an exact copy of the invincible spirit exhibited by the iron-willed Commander Kim Il-song during the emergency cabinet meeting on the morning of the day the U.S. imperialists ignited the war in our land in the 1950's. Breaking the ice at this tense meeting, he declared in effect: The Americans look down upon the Korean people. Just like the saying that a club should be used when dealing with a wolf, we must teach a lesson to these rascals who know nothing about the Korean people and who have dared to pounce upon us, a lesson about what the Korean people really are like.

Commander Kim Chong-il took his first tottering steps in the Paekdu jungle, under the roar of gunfire, during the war of resistance against Japan. He cultivated his temperament befitting the most outstanding commander of the world through the actual exercise of his military leadership over our armed forces, under the severe condition of the fierce war against the most ferocious and formidable imperialist enemies. It is because we have marched forward with Commander Kim Chong-il at the head of our revolutionary armed forces that our country has come to present its magnificent appearance as an impregnable fortress, and our KPA has been able to grow into a powerful, invincible army. This is the greatest fortune and glory for our KPA and our people, who have been so lucky as to be blessed with a great commander for each generation.

The cause of our way of socialism, which is forging ahead under the peerless great commander Kim Chong-il whom we hold in high esteem as the highest leader of our revolutionary armed forces, will be always invincible as it was adorned with numerous victories and glories in the past.

Radio Hails Kim Chong-il's 'Creative' Ideas

SK2807143295 Pyongyang Korean Central Broadcasting Network in Korean 2225 GMT 27 Jul 95

[Unattributed talk: "The Great Leader [yongdoja] Comrade Kim Chong-il's Ideas and Theories are Great Revolutionary Ideas Consistent With Creativity"]

[FBIS Translated Text] Today, our people and the revolutionary people of the world highly praise and absolutely admire the great leader [yongdoja] Comrade Kim Chong-il as the greatest man of ideas and theory in our times. Our people and the revolutionary people of the world admire the great leader Comrade Kim Chong-il so much as a genius of ideas and theory because his ideas and theories shine brilliantly as great revolutionary ideas consistent with creativity.

The great leader Comrade Kim Chong-il's ideas and theories are characterized by their creativity for prompting something new. The great leader [suryong] Comrade Kim Il-song taught: I read most of the theses, addresses, and statements of the secretary for organization [chojik piso]. I like his theories' creativity, which always prompts something new, and the sense of the times in his theories that answer the demand of the times.

The creativity of the great leader [yongdoja] Comrade Kim Chong-il's ideas and theories is clearly expressed in his formalization of the great leader's [suryongnim] revolutionary ideas in connection with the leader's respected name, as well as in his development and completion of all the chuche-oriented ideological and theoretical methods into new principles and propositions. The creativity of the great leader [yongdoja] Comrade Kim Chong-il's ideas and theories is, above all, clearly shown by his overall elucidation of the chuche-based revolutionary view of world.

The development of revolutionary ideas of the working class is regulated by the development of its view of world, and the creativity of revolutionary ideas is determined by the creativity of the view of world. Accordingly, the creativity of the working class's ideas and theories is clearly expressed in the scope of its view of world.

The great leader Comrade Kim Chong-il's ideas and theories clearly specify many fundamental issues and principles that emerge in the course of intensifying and developing the chuche-based view of world. The great leader Comrade Kim Chong-il's ideas and theories have generally elucidated a fundamental issue in philosophy and a philosophical view of world.

The fundamental issue in philosophy is the basis for answering questions on the view of world. The overall system, content, characteristic, and might of a philosophical view of the world are determined by how the fundamental issue in philosophy is presented and answered.

The materialistic dialectic, a preceding ideological theory of the working class, presented relations between material and consciousness as the primary issue of philosophy and demonstrated the material-first-and-consciousness-second principle, thus answering materialistically the primary issue of philosophy.

Under the condition that the issue of the relationship between material and consciousness, which had been presented as a primary issue of philosophy, was solved, the great leader Kim Chong-il's ideas and theories have clearly defined the issue of the relationship between man and the world and of man's position and role in the world as a fundamental philosophical issue and have given a scientific answer to it, based on the chuche idea.

The great leader Kim Chong-il's ideas and theories clarified, based on the elucidation of man's intrinsic character, the philosophical principle that man is the master of everything and decides everything. Thus, the great leader Kim Chong-il's ideas and theories have generally and newly systematized all issues in the philosophical view of the world, from the opinion of the world that the world is governed, reformed, and developed by man to the viewpoint and position of the world that everything must be treated based on man's interests and things must be changed and developed based on man's activities.

The great leader Kim Chong-il's ideas and theories have also generally and freshly developed and completed the view of social history, as well as the philosophical view of the world. The great leader Comrade Kim Chong-il studied and learned in-depth the principle of social history in the chuche idea that the popular masses are the main force of history and the driving force of social development, which was presented by the great leader [suryong] Comrade Kim Il-song; and he defined it as the primary principle of the view of social history.

The great leader [yongdoja] Comrade Kim Chong-il's ideas and theories specified more clearly fundamental issues about the view of social history, based on the idea of the main force of history, and generally explained the primary principle of the view of social history that the popular masses are the main force of social history. Accordingly, the principle of the unity between leadership [chido] and the masses and the opinion, viewpoint, and position of the popular masses-oriented social history have been elucidated generally, and the chuche-based view of social history has been established in a unitary ideological and theoretical system.

The main issues of the main force of the revolution are who is the master of the revolution and what is the decisive factor propelling the revolution. The great leader Comrade Kim Chong-il newly derived the issues of the main force of history, the independent main force of history, and the main force of the revolution and creatively elucidated the profound revolutionary principle that the main force of the revolution is a united body of the leader [suryong], the party, and the masses, and a social and political living body.

The great leader [yongdoja] Comrade Kim Chong-il scientifically explained the positions and roles of the leader [suryong) and party in the social and political living body, creatively presenting the principle that the leader is the center who unitedly commands living activities of the social and political group and the principle that the party is the axis of the social and political living body. The great leader [yongdoja] Comrade Kim Chong-il also newly elucidated the principle of the revolutionary sense of duty and comradeship that enables the leader [suryong], the party, and the masses to be united as one living body.

The great leader Kim Chong-il's ideas and theories creatively presented the issue of the main force of the revolution and derived many principles of the main force of the revolution, thus newly developing ideas on the view of revolution and establishing and completing the chuche-based revolutionary view of world in a unitary ideological and theoretical system.

The creativity and greatness of the great leader Kim Chong-il's ideas and theories lie in his creative elucidation of fundamental issues and principles of the view of the world and in his overall systemization of a revolutionary view of the world; herein also lies his extraordinary contribution to the development of working-class ideas and theories.

The creativity of the great leader Kim Chong-il's ideas and theories is also expressed in his elucidation of new theories on the revolution and construction. In nature, a theory is prompted by the demand for practice and logically systemizes people's experience in practical activities. Revolutionary theories, along with revolutionary ideas, construct the essential content of working-class ideas and theories.

By generalizing people's experience in the revolutionary practice, the great leader Kim Chong-il's ideas and theories elucidated the inevitable steps of the revolutionary struggle to achieve the popular masses' independence; a theory on components of each step; a theory on pioneering, developing, and completing the working class's revolutionary cause; a theory on the inevitability of socialist and communist construction; a theory on political, economic, cultural, and national defense construction; a theory on the world revolution to make the whole world independent; and many other creative theories on achieving the revolutionary cause of the working class and on carrying out the revolution and construction.

The great leader Kim Chong-il's ideas and theories creatively elucidate strategic and tactical problems emerging in the revolution and construction. The theories on the inevitable steps of the revolutionary struggle to achieve the popular masses' independence and on the components of each step logically generalize historic experience in revolutionary practice and generally elucidate the revolutionary struggle, originating from its nature.

All revolutionary struggles are, in nature, struggles to achieve the working popular masses' independence. In order to achieve the popular masses' independence, inevitable steps of the revolutionary struggle for independence and major components of each step must be elucidated clearly, so that correct goals and tasks of the struggle, as well as correct strategies and tactics to implement them, can be presented at each stage of the developing revolution, and the revolution can advance straight without deviation.

Based on the chuche idea created by the great leader [suryongnim], the great leader [yongdoja] Comrade Kim Chong-il generally elucidated that the working class and popular masses' revolution for independence is developed and completed ultimately, going through the revolutionary stages for national liberation, class liberation, and human liberation.

The great leader Comrade Kim Chong-il also defined social reform, nature remaking, and human remolding as [words indistinct] and generally elucidated the inevitability of realizing them. Since they newly elucidated the inevitable steps of the working class's revolutionary struggle and important components of each step, the great leader Kim Chong-il's ideas and theories serve as powerful ideological and theoretical weapons for successfully implementing the popular masses' historic cause for independence and as ideological and theoretical assets that have developed and enriched the chuche revolutionary theories.

The great leader Kim Chong-il's ideas and theories newly elucidated not only strategic and tactical problems of the revolution, but also theories on methods of leadership [yongdo]. The issue regarding methods of leadership is particularly significant—both in theory and in practice—to the working class's revolutionary struggle. When correct methods of leadership, as well as correct guiding ideas and theories, are established, it is possible to achieve victory in the difficult and complicated revolutionary struggle.

The great leader Kim Chong-il's ideas and theories newly presented and generally systemized theories on the method of leading the masses based on the demands of reality, in which the leader [suryong], the party, and the masses are united as a social and political living body and struggle as the powerful main force of the revolution.

The great leader [yongdoja] Kim Chong-il's ideas and theories established the most correct observance that the revolutionary leadership is, in nature, the leadership of the party and the leader [suryong] to the popular masses, thus preparing a theoretical and practical basis for practicing true leadership for the revolution and construction and elucidating an ideological and theoretical basis for establishing scientific principles, systems, and the art of leadership.

Because the great leader [yongdoja] Kim Chong-il's ideas and theories newly elucidated the chuche-based revolutionary view of the world and theories on the revolution and leadership and developed and completed them in a unitary ideological and theoretical system, as explained above, they are characterized as great revolutionary ideas consistent with creativity of deriving something new.

Our people will stoutly live and struggle as chuche-type communist revolutionaries endlessly loyal to the leadership of the great leader Comrade Kim Chong-il, deeply learning by experience the creativity of his ideas and theories and making them their flesh and bones.

Foreign Papers Carry 'Famous' Kim Chong-il Work

SK2907045295 Pyongyang KCNA in English 0413 GMT 29 Jul 95

[FBIS Transcribed Text] Pyongyang, July 29 (KCNA) — The great leader Comrade Kim Chong-il's famous work "Giving Priority to Ideological Work Is Essential for Accomplishing Socialism" published on June 19, 1995, was carried by the Mexican paper COMBATIENTE, the Zimbabwean paper PEOPLE'S VOICE, the Algerian paper EL OUMA, the Indian paper SAMACHAR POST and the Zairean paper DEMAIN LE CONGO.

Foreign Media Mark Death Anniversary

Papers Run Special Write-ups

SK2907045395 Pyongyang KCNA in English 0408 GMT 29 Jul 95

[FBIS Transcribed Text] Pyongyang, July 28 (KCNA) — Lebanese, Ethiopian, Zairean, Tadzhik, Zimbabwean, Russian, Indian, Nigerian, British, Maltese, Egyptian, Syrian, Romanian, Guinean and Italian newspapers dedicated special write-ups to the first anniversary of the death of the great leader President Kim Il-song.

The Ethiopian paper MEBREAK in an article headlined "The Great Leader of Our Planet" wrote that President Kim Il-song was the only defender of socialism who overcame all difficulties on the road of independence without any ideological vacillation or disappointment.

The Zimbabwean paper GUARDIAN TELEGRAPH said that the life of Comrade Kim Il-song was a great life of the people's leader who had successfully embodied the idea of "Believing in the People as in Heaven".

The Maltese paper L'ORIZZONT said that although the heart of the great revolutionary stopped throbbing, his revolutionary cause is being carried forward at 100 percent and his august name is cherished deep in the hearts of the Korean people and progressive humankind.

The Indian paper BADHI BAKIL stressed that as long as Comrade Kim Chong-il stands in the van of revolution, President Kim Il-song would always be with the Korean people and live eternally in the heart of humankind with the victorious advance of the chuche revolutionary cause and that President Kim Il-song is the eternal sun.

His immortal revolutionary exploits were reported by Radio Havana of Cuba, ANSA, radio and television of Italy and televisions of Yugoslavia, Britain, Uganda, Zambia and Guyana.

Special issues of bulletin were printed by the Mt. Paekdu Czech-Korean Friendship Association and the Denmark-Democratic People's Republic of Korea Friendship Association.

PRAVDA Carries Article

SK3107104095 Pyongyang KCNA in English 1022 GMT 31 Jul 95

[FBIS Transcribed Text] Pyongyang, July 31 (KCNA) — The Russian paper PRAVDA carried a lengthy article entitled "Kim Il-song, Let Us Believe in People and

Serve Them" on the first anniversary of the death of the great leader President Kim Il-song.

The article said that the sudden death of Comrade Kim Il-song on July 8 last year aroused sincere condolences from the world public including leading political activists who understood the world-wide significance of his exploits.

He always regarded the idea of single-hearted unity of the leader, the party and the popular masses as a guideline and devoted all his strength and talents to the people, it noted.

The Ethiopian paper MEBREK printed a picture of President Kim Il-song standing by the Lake Chon on the top of Mt. Paekdu and carried a special write-up.

President Kim Il-song was the father of all the world people, a symbol of love for people and a hero of socialist Korea, said the paper.

Special write-ups were carried by the Polish papers GAZETA WYBORCZA, KURIER POLSHKI, SUPER EXPRESS and CZAS KRAKOWSKI.

Poland Publishes Book

SK3007081095 Pyongyang KCNA in English 0802 GMT 30 Jul 95

[FBIS Transcribed Text] Pyongyang, July 30 (KCNA) — The book *Kim Il-song, Legend of Korea* written by Polish Prof. and Dr. of Economics Aleksandra Dominik was brought out in Katowice on the occasion of the first anniversary of the death of the great leader President Kim Il-song.

Printed in the book is a portrait of President Kim Il-song.

The book carries photos showing his revolutionary family, his early revolutionary activities, the foundation of the Korean People's Revolutionary Army and the association for the restoration of the fatherland by him and introduces in detail his revolutionary activities and immortal revolutionary exploits.

Also edited in the book are photos showing the revolutionary activities of Comrade Kim Chong-suk, an indomitable Communist revolutionary fighter.

The other book *National Culture and Folk Customs of Korea* authored by Aleksandra Dominik was off the press.

Kim Il-song's Works Studied Overseas

SK0108103195 Pyongyang KCNA in English 1021 GMT 1 Aug 95

[FBIS Transcribed Text] Pyongyang, August 1 (KCNA) — The great leader President Kim Il-song's celebrated works are studied in different countries.

The Nepalese National Committee To Remember the Great Leader Comrade Kim Il-song sponsored a seminar on his work "Answers to Questions Raised by a Delegation of Journalists of WASHINGTON TIMES From the United States."

Chairman of the Committee C.P. Mainali said in his speech:

"President Kim Il-song in the work clarified principled issues of the DPRK's foreign policy.

"The reunification of Korea and global independence will be achieved without fail when efforts are made as indicated by the great leader President Kim Il-song.

"Although he passed away, the Korean people are carrying forward his cause under the wise leadership of his excellency the great leader Kim Chong-il."

Those who spoke at the seminar stressed that Comrade Kim Il-song will always be with the Nepalese people as well as the Korean people.

Seminars on "10-Point Programme of the Great Unity of the Whole Nation for the Reunification of the Country," "On the Three Principles of National Reunification," "On the Korean People's Struggle To Apply the Chuche Idea" and "The Great Anti-Imperialist Revolutionary Cause of the Asian, African and Latin-American Peoples Is Invincible" were respectively held at the Marondera, Zimbabwe, Committee for the Study of the Chuche Idea, the Murewa, Zimbabwe, Group for the Study of the Chuche Idea, the Group for the Study of the Chuche Idea of Comrade Kim Il-song of Higher Middle School of Old Kampala, Uganda, and the Chuche Idea Study Society of Great Britain.

Reminiscences Reviewed

SK3107110995 Pyongyang KCNA in English 1042 GMT 31 Jul 95

[FBIS Transcribed Text] Pyongyang, July 31 (KCNA) — The great leader President Kim Il-song's reminiscences *With the Century* is studied and disseminated in different countries.

A forum on "The Country in Distress" in the first volume of part 1 *The Anti-Japanese Revolution* of the reminiscences was held by the Peruvian Group for the Study of Works of Comrade Kim Il-song.

The participants observed a moment's silence in memory of President Kim Il-song.

Speakers said that President Kim Il-song was a great elder statesman in the world and that the world does not know such a leader of the people as the president who devoted himself to the country and the people for over 80 years.

Teachers of the Entebbe and Kampala High Middle Schools in Uganda held seminars on the reminiscences.

The Arab Art, Culture and Information Association of Egypt decided to read the reminiscences day after day on the occasion of the 1st anniversary of President Kim Il-song's death and did so.

The Pakistan-Korea Youth Friendship Association held a reading session of the reminiscences.

Meanwhile, the full text of "Patriotic Landowner Kim Chong-pu" and the gist of "Living Apart From the People Is Impossible" in the fifth volume of part 1 *The Anti-Japanese Revolution* of the reminiscences were respectively carried by the Brazilian paper HORA DO POVO and the Malian paper OBSERVATEUR.

The Brazilian paper said that President Kim Il-song's reminiscences was the best masterpiece of the world, adding:

His unprecedentedly arduous revolutionary struggle and great political and ideological activities are associated with his absolute belief in victory, deep trust in the people and noble virtues.

Kim Il-song's Work on National Unity Discussed

SK0108103695 Pyongyang KCNA in English 1028 GMT 1 Aug 95

["Highly Important Guideline Indicating Way of Achieving Reunification With Great National Unity" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 1 (KCNA) — NODONG SINMUN today dedicates a signed article to the 4th anniversary of the publication of the great leader Comrade Kim Il-song's work "Let Us Achieve the Great Unity of Our Nation" (August 1, 1991).

The idea on great national unity expounded by Comrade Kim Il-song in his work is a powerful theoretical and practical weapon that indicates the way of achieving the reunification of the country with the motive force of the nation and is a highly important guideline in the reunification movement of our nation, the article says, and continues:

He said in his work that the driving force of national reunification is the Korean nation and the strength of the driving force is the strength of unity and that all the Korean nation must unite close under the banner of great national unity in the spirit of patriotism and national independence to realise the reunification of the country.

The idea on great national unity is a just idea based on the truth of chuche philosophy established in the long revolutionary struggle that any movement can emerge victorious when its driving force is strengthened and its role enhanced and based on the national outlook of chuche that the whole nation must defend and practise national independence in unity and achieve the co-prosperity of the nation, regarding independence as the lifeblood of the nation.

As clarified by him, it is for the sake of genuine national concert and reunification that we have advanced the proposal on national reunification through confederation based on one nation, one state, two systems and two governments.

He put forward the tasks to achieve great national unity—to subordinate everything to national reunification and regard this as a fundamental principle in achieving great national unity, encourage contacts and visits widely among the fellow countrymen in the North, South and abroad and promote dialogue actively among them, strengthen nationwide solidarity in the struggle for national reunification and ally organizationally all the political parties, organizations and compatriots of all strata in the North, South and abroad.

Comrade Kim Il-song's work is a programmatic work to realise the great unity of the whole nation in the North, South and abroad who aspire after reunification, strengthen the driving force of reunification and achieve the independent and peaceful reunification of the country with the overwhelming superiority of the patriotic forces of reunification to the splittist forces.

Anniversary of Sex Equality Law Observed

SK3007084495 Pyongyang KCNA in English 0837 GMT 30 Jul 95

[FBIS Transcribed Text] Pyongyang, July 30 (KCNA) — Papers here today significantly observe the 49th anniversary of the great leader President Kim Il-song's promulgation of law on sex equality on July 30, 1946.

NODONG SINMUN in an editorial titled "Let Women Powerfully Roll One of the Two Wheels of Revolution Under the Party's Leadership" says the promulgation of the law was a great historic event in the shaping of the destiny of our women and their political life.

The sex equality in force in the DPRK is a thoroughgoing one which makes women the masters of society, the masters of the country with the men and a perfect one which comprehensively and practically provides them with rights equal to men in all domains of social life, the editorial notes, and goes on:

The great leader Comrade Kim Il-song put forward long ago the chuche-based idea on women's emancipation and wisely led the struggle for its realisation, saying women were playing important role in rolling one of the two wheels of revolution.

The Korean women's movement at present is, in essence, a movement to firmly prepare them to be true revolutionaries of chuche type, remaining loyal to the party's leadership, and a worthwhile struggle to finally solve the women's question by making their country, their motherland more prosperous.

The Korean women today are faithful women who absolutely believe in and follow the party and proud and dignified women who are enjoying a worthwhile life and greatest happiness in the world in the bosom of the party.

There are no women steadfast in idea, noble in morality and traits and sound and beautiful in life as our women. As the women are faithful to the revolution anywhere in our country, the idea and intention of the party and the leader are implemented thoroughly and the wheels of the revolution are rolled powerfully.

Boundless loyalty to the party and the leader, comradeship, obligation and warm humanity are the noble traits which can be fully displayed only by the Korean women, who have grown in the bosom of the great party. Today they are becoming the flowers of revolution and a powerful force of socialist construction. This is a precious fruition of the guidance of the party and the leader, who have wisely led the chuche-based women's movement.

It is the steadfast will of our women to uphold the great party and keep the flower of the revolution in full bloom.

The editorial stresses the need to bring about a revolutionary turn in the Korean women's movement under the leadership of the party.

It goes on to say:

Our party's leadership was, is and will be the life of the Korean women's movement and the source of all their happiness.

All the women should always cherish deep in their minds the pledge they took before the bier of President Kim Il-song and hold respected General Kim Chong-il in high esteem as the eternal sun and saviour of the life.

Women Mark Anniversary

SK3107050195 Pyongyang KCNA in English 0450 GMT 31 Jul 95

[FBIS Transcribed Text] Pyongyang, July 31 (KCNA) — Women of all social strata in Pyongyang on Sunday laid floral baskets before the great leader President Kim Il-song's statue on Mansu Hill and made bows on the 49th anniversary of the promulgation of the law on sex equality (July 30, 1946).

Floral baskets in the name of the Central Committee of the Korean Democratic Women's Union and its organizations in Pyongyang were laid before the statue.

The words "The great leader Comrade Kim Il-song will be immortal" were written on ribbons of the floral baskets.

South Korea

KEDO Executive Council Meets in New York

SK3107232895 Seoul KBS-1 Radio Network in Korean 2100 GMT 31 Jul 95

[Report by Yi Kwang-chul from New York]

[FBIS Translated Text] The ROK, the United States, and Japan held a Korean Peninsula Energy Development Organization [KEDO] Executive Council meeting in New York on 31 July and decided to send a light-water reactor site survey team to North Korea in mid-August, as scheduled. However, they decided to no longer pursue the visit to North Korea by a KEDO delegation, including the secretary general, which North Korea refused to allow.

The KEDO Executive Council stated that it will send a site survey team in mid-August, as scheduled, because the dispatch of the survey team is the first-stage work for the construction of light-water reactors.

The site survey team consists of about 10 ROK, U.S., and Japanese geology and civil engineering experts, including four Koreans.

At the meeting, the KEDO Executive Council also had intensive discussions on the content and timing of a treaty with North Korea for supplying light-water reactors. It seems that the treaty will specify that KEDO will be the main body for the light-water reactor construction project and that the ROK will play a central role through KEDO.

For KEDO's smooth activities in the future, the Executive Council has formed three advisory committees respectively in charge of constructing light-water reactors, disposing the spent fuel rods, and supplying heavy oil to North Korea.

Forms 3 Advisory Committees

SK0108005395 Seoul YONHAP in English
0046 GMT 1 Aug 95

[FBIS Transcribed Text] New York, July 31 (YONHAP) — The Korea Peninsula Energy Development Organization (KEDO), tasked with financing the provision of two light-water nuclear reactors to North Korea, launched Monday three advisory committees on the light-water reactor project, the supply of alternative energy and the management of spent nuclear fuels.

The three KEDO advisory committees, inaugurated at a KEDO Executive Board meeting held at the U.S. Mission to the United Nations Monday afternoon, will assume the role of advising and recommending to the Executive Council and the KEDO Executive Director with regard to the promotion of the three projects.

The KEDO Executive Board, comprised of South Korea, the United States and Japan, also heard a report from its executive director Stephen Bosworth on the results of his discussions with the North on the matter of dispatching a KEDO team to survey sites for the light-water reactors and the conclusion of a light-water reactor supply contract.

A source close to the meeting quoted Bosworth as saying, "The initial atmosphere is not unfavorable and the North's final response is being awaited."

The three countries attuned their positions on the light-water reactor supply contract negotiations between KEDO and North Korea, sending the first site survey team and KEDO management, and they also agreed on the joint steps that will be taken on those matters, the source said.

Meanwhile, KEDO is scheduled to hold a general meeting Tuesday morning with delegates from over 30 countries attending for the purpose of reviewing the general implementation of the landmark Washington-Pyongyang nuclear agreed framework following their recently concluded light-water reactor talks in Kuala Lumpur.

South Korea is slated to brief the delegates on how the light-water reactor project will be carried out and how South Korea will play a central role.

The KEDO general meeting will also hear reports from Japanese nuclear ambassador Tetsuya Endo and Executive Director Bosworth concerning the status of financial contributions pledged by non- executive council member countries and how the KEDO secretariat will operate.

KEDO Urged To Ensure Seoul's Central Role

SK0108082995 Seoul KYONGHYANG SINMUN in Korean 1 Aug 95 p 3

[Editorial: "What the KEDO General Assembly Must Do"]

[FBIS Translated Text] As of 31 July, the executive board meeting and general assembly of the Korean Peninsula Energy Development Organization [KEDO] are being held in New York, with delegates from some 30 countries participating. The meeting, the first since the general assembly was founded five months ago—in March—is being held somewhat belatedly considering the tense atmosphere that prevailed when the North Korea-U.S. agreed framework was signed in Geneva and when the semi-high-level talks were held in Kuala Lumpur.

The main reason that KEDO has not made notable progress in its activities was North Korea's uncooperative attitude. However, we think KEDO's easygoing attitude and lukewarm approach in coping with problems are partly to blame. The executive board meeting is supposed to finalize the composition of and plan of action for the site survey team to be dispatched to North Korea in August, and to discuss the negotiating strategy for signing the agreement to supply light-water reactors to North Korea. At the same time, the general assembly will form three advisory panels for the light-water reactor project, the provision of alternate energy sources, and the disposal of spent nuclear fuel rods as well as finalize the appointment of the executive director and two deputy executive directors.

We hope the general assembly will discuss the issues in a more practical manner, and would like to emphasize the points KEDO must emphasize.

First, the ROK's central role should be ensured without fail. The prior condition for its central role is to choose the ROK-style model light-water reactor. This is stipulated in the agreement for establishing KEDO. In view of the worrisome speculation that spread when KEDO activity was delayed, KEDO should sign the agreement for providing light-water reactors to North Korea as soon as possible so as to erase the worrisome arguments that have existed to date.

Second, an ROK enterprise should become the prime contractor, both nominally and virtually. The ROK, the United States, and Japan—the three major member states of the KEDO executive board— have stressed on numerous occasions that an ROK enterprise will become the prime contractor. Nevertheless, the rumor that a U.S. firm, which is to assume the role of program coordinator, will play the practical role of prime contractor remains in circulation, is creating confusion. This is caused partly by the ambiguous attitude of the United States toward the problem. A crisp clarification of the problem should be made as soon as possible.

Third, KEDO should warn North Korea that their rejection of a visit by the executive director group is a violation of the North Korea-U.S. agreement, and it should obtain a guarantee in order to prevent the recurrence of a similar development. At the same time, the ROK's central role should be confirmed at the time the site survey team to be dispatched to the North is composed. KEDO ought to be aware that if the ROK's central role turns out to be merely nominal, then ROK participation in the light-water reactor project will face opposition from the people and will fail.

Korean General To Replace Outgoing MAC Head

SK0108032795 Seoul THE KOREA TIMES in English 1 Aug 95 p 3

[Article by staff reporter O Yong-chin]

[FBIS Transcribed Text] South Korea has decided to succeed the senior member of the United Nations Command Military Armistice Commission (UNCMAC) with another Korean Army general at the possible risk of continuing a stalemate over the 42-year-old agreement that holds truce in Korea.

A senior Defense Ministry official said yesterday that Maj. Gen. Hwang Won-tak, who is due to retire in September, will be replaced by another Korean general.

"In accordance with the existing protocol, the Korean side will submit the shortlist of two Korean major general-level candidates to UNC commander Gary Luck for approval," he said, adding that process is a mere formality.

ROK-U.S. Combined Forces Command deputy chief of staff Yi Sok-pok will likely succeed Hwang, another ministry source said.

The Korean-to-Korean succession, however, will likely protract the stalemate over the composition of the armistice commission as North Korea has refused to attend a senior-level MAC [Military Armistice Commission] meeting since Hwang was appointed to that post in 1991.

Before Hwang's appointment, American two-star-level generals had served in the post. The MAC is composed of two-star senior members, colonel-level secretaries and major-grade joint duty officers and others.

Their multi-tiered structure is used to resolve military issues without developing major armed conflicts.

The North argues that a South Korean general can't serve the highest post at the MAC meeting since the South is not a signatory to the armistice itself.

Instead, the North calls for a direct meeting with American generals to pave the way for the establishment of a peace treaty with the United States, completely excluding the South.

The South, however, appears ready to accommodate the consequences from the appointment of another Korean general to the post.

"We should stand firm and wait at all costs until the North reverses its objection and returns to the negotiating table in a full MAC meeting that is headed by a Korean general," the ministry officials aid.

The appointment of a South Korean general to the senior MAC member is intended as part of a series of steps to take over the control of inter-Korean military affairs from the United States in accordance with the agreement between the two allies.

"Our long-term scenario is that inter-Korean military affairs will eventually be handled in a military commission that the two Koreas agreed to establish but doesn't exist at present," he said.

He said that the South doesn't have illusions of perpetuating peace in Korea with an unreliable armistice.

But the protracted armistice stalemate is widely seen as a bitter pill that the United States is reluctant to swallow.

With thousands of its troops sharing the frontline with North Korean troops, the U.S. wants to keep a senior level contact available all the time in case of military contingency.

That posture was well illustrated late last year when a U.S. military helicopter strayed into the North Korean airspace and one aviator was held hostage.

A senior U.S. government official flew into Pyongyang to negotiate the aviator's release.

The North manipulated the U.S. to the brink of nullifying the armistice. The first step was the U.S. accommodation of the North's demand for bilateral negotiations, sidestepping the MAC channel.

The other was an agreement between the two on the establishment of a bilateral military channel in an "appropriate framework."

That ambiguous expression leaves much to be clarified. The North asserts that it has been agreed that the U.S. will set up an independent dialogue channel with the North outside the armistice. The U.S. says that was meant to be "inside."

The North also made a series of clever moves by increasing their activities near the Demilitarized Zone, pressuring the U.S. to step up its pursuit of a senior-level dialogue channel.

Under these circumstances, the South faces the tough tasks of appeasing the U.S. jitters and countering the North's deliberate moves to prod the South and the U.S.

"A breakthrough will not be possible for the time being," said the ministry official. "Moves and countermoves are expected among the three players to jockey for a better position in a highly political chess match over the armistice."

Ban on Reunification Festival Analyzed

SK3107134495 Seoul KYONGHYANG SINMUN in Korean 31 Jul 95 p 6

[Article by Kang Song-po: "Aimed at Finding Excuse for Denouncing South Korea"]

[FBIS Translated Text] North Korea is now strengthening its slanderous offensive against the ROK because it is highly possible "the 15 August Grand National Reunification Festival," which has been jointly prepared by some ROK dissident organizations, will not be held due to the government's decision to bar it.

Following an assertion in the 23 July statement issued by the North's Preparatory Committee for the Grand National Reunification Festival that indicates the ROK Government's decision not to allow the festival is "a grave challenge to the people's aspiration for reunification," North Korea issued a press statement on 26 July in the name of the spokesman for the North's headquarters of the "National Alliance for the Country's Reunification" denouncing this move "as an anti-national violent act that cannot be forgiven."

Prior to these statements, on 21 July North Korea issued the so-called "tripartite agreement" jointly adopted by the North, South, and overseas preparatory committee, saying: "The Grand National Reunification Festival will be held without fail despite the South Korean government's obstructive maneuvers." It has been reported that to achieve this, North Korea has even formed a National Preparatory Committee.

The main attraction of the reunification festival is that on 15 August national representatives of the North, South, and overseas compatriots will meet together at Panmunjom, the symbol of national division. Here they will jointly open the grand national conference, a reunification music symphony, and a painting exhibition. It will be held from 12 to 17 August, inspiring the spirit for national reunification. It is certain the government will not allow its opening.

Government authorities have assessed that the festival itself originated from North Korea's political strategy to separate dissident circles from the ROK Government.

This year, North Korea—which at the beginning every year has put forward the goal and strategy of dissident circles through the "South Korean National Democratic Front," the disguised underground organization in the ROK—issued a code of conduct known as the so-called "Reunification Salvation Front," and especially stressed the struggle for reunification and democracy.

The Reunification Salvation Front, which is made up of five articles, calls for the abolition of the National Security Law and the overthrow of the ROK Government, calling it the starting point of struggle based on national sovereignty. The government believes North Korea will surely make efforts to hold the reunification festival, maintaining its strategy to earnestly carry out the struggle against the ROK.

The fact that the festival's venue is Panmunjom is one of the main reasons the government will not allow it. Panmunjom is the area where military tensions are heightened. In addition, its quite small in size, making it inappropriate for the people to conduct the reunification festival.

During his visit to Panmunjom in May, Na Ung-pae, vice prime minister and minister of the National Unification Board, stated: "How is it possible for ordinary people to hold the reunification festival in this area!" He also pointed out the existence of armed soldiers confronting each other.

Despite the expression of such a firm position by the government, North Korea has prepared for the reunification festival. This indicates North Korea is seeking an excuse to denounce the ROK Government as a "government of national separation."

It can be regarded that along with this, the North Korean Government intends to strengthen its political integration by propagating its "legitimacy" at home and abroad.

Government Finalizes 'Two-Plus-Two' Peace Plan

SK0108055895 Seoul CHOSON ILBO in Korean 1 Aug 95 p 1

[Report by Song Ui-tal]

[FBIS Translated Text] It was learned on 31 July that in connection with its 15 August proposal to the North, the government has finalized the tentatively named "plan for building a peace regime on the Korean peninsula" whose operating mechanism is inter-Korean military and political talks based on the "two-plus-two" formula, and that the government has begun consultations with the countries concerned.

A government source on that day said that the officials involved in formulating reunification policies held a meeting and decided on this "peace plan," and that the government has begun to work on securing support from the countries concerned.

The source said that the government is making particular efforts to urge China, which has a special relationship with North Korea, to participate in the plan promoted by the ROK.

The source also said that the government is making diplomatic efforts to obtain understanding for the plan from Russia, which is calling for an international conference on the question of the Korean peninsula. He added that the government understands that the U.S. Government is presently explaining its position on the plan to Russia and China.

The "two-plus-two" peace plan that the government finalized is for the ROK and North Korea to build a new peace regime to replace the current Armistice Agreement through discussions on military and political issues and for the United States and China to guarantee to North Korea the preservation of its system and economic assistance in the process.

North, South Scholars Meet at Beijing Seminar

*SK3107122795 Seoul YONHAP in English
1123 GMT 31 Jul 95*

[FBIS Transcribed Text] Beijing, July 31 (YONHAP) — North Korean scholars attending a seminar here Monday [31 July] called for the stoppage of mutual slanders between South and North Korea.

"We would like to propose the stoppage of all sorts of political disputes and mutual slanders and defamation between the South and the North," Dr. Kim Ku-sik, deputy director of the North's National Reunification Institute, said.

The occasion was a unification seminar among South and North Korean and overseas scholars co-sponsored by the Korea Political Institute of Seoul National University and the North's Socio-Political Society.

Kim said political disputes between the two Koreas would only serve to fuel intra-national distrust, misunderstanding and enmity, deepening the crack of national split.

Following the first-day session of the two-day seminar through Tuesday, the North Korean delegation invited participating scholars from South Korea and the abroad to a dinner.

A total of 26 scholars were attending the seminar held at Hotel Great Wall in downtown Beijing.

Kong No-myong Meets With Counterparts at ARF

Meets Qian Qichen

*SK0108022995 Seoul YONHAP in English
0215 GMT 1 Aug 95*

[FBIS Transcribed Text] Seoul, Aug. 1 (YONHAP) — South Korean Foreign Minister Kong No-myong Monday invited Chinese President Jiang Zemin to visit Seoul in November when Jiang is scheduled to attend the Asia Pacific Economic Cooperation (APEC) summit in Osaka, Japan, Foreign Ministry Spokesman So Tae-won said Tuesday.

The invitation was delivered to Chinese Foreign Minister Qian Qichen in Brunei where Kong and Qian were attending the Asia Regional Forum (ARF) meeting, So said.

Qian reaffirmed his government's position that Jiang will make a state visit to South Korea sooner or later, but added that the timing should be discussed later between the two countries, according to the spokesman.

During the bilateral meeting between Kong and Qian held at the Riverview Hotel in Bandar Seri Begawan, Brunei, Kong urged the Chinese Government to make efforts to investigate and settle the recent case involving a South Korean pastor An Sung-un, who was allegedly abducted and taken to North Korea.

Qian responded that he will inform the South Korean Government of the outcome of the investigation into the An case as soon as it is concluded, according to So.

Kong also asked Qian to help South Korea set up a consulate- general's office in Shenyang to facilitate visits to and investment in the northeastern Chinese city by South Koreans, according to So.

Qian reacted that his government was examining the request by the South Korean Government to establish a consulate-general's office there, adding that China will soon let South Korea know the results of the examination.

Qian meanwhile supported Seoul's position that the Korean armistice treaty should be upheld until a new peace regime is established between South and North Korea, So said.

Kong stressed the importance of restoring cooperative relations between the United States and China to ensure security and peace on the Korean peninsula.

Meets With Canada's Ouellet

SK0108022095 Seoul YONHAP in English 0118 GMT 1 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 1 (YONHAP) — The Foreign Ministers of South Korea and Canada Monday met in Brunei to discuss bilateral trade issues and the political situation on the Korean peninsula, according to Foreign Ministry Spokesman So Tae-won.

Foreign Minister Kong No-myong and his Canadian counterpart Andre Ouellet met in Bandar Seri Begawan, Brunei, where they were attending the annual Asia Regional Forum (ARF), So said.

The two foreign ministers discussed ways to cooperate in the Korean Peninsula Energy Development Organization (KEDO), the international consortium responsible for financing the provision of two light-water nuclear reactors to North Korea, and the Asia Pacific Economic Cooperation (APEC), the United Nations and other international forums, according to the spokesman.

They also discussed the political situation in North Korea and bilateral economic and trade issues.

Beijing Urged To Settle Abduction Case Quickly

SK0108061195 Seoul YONHAP in English 0601 GMT 1 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 1 (YONHAP) — Vice Foreign Minister Yi Si-yong Tuesday called Chinese Ambassador to Seoul Zhang Tingyan to the Foreign Ministry and requested that the Beijing government announce the findings of its investigation into an abduction case in which a South Korean pastor working in Yanji, northeastern China, was recently abducted and taken to North Korea, apparently against his will, Foreign Ministry spokesman So Tae-won said Tuesday.

Yi urged that the Chinese Government to make efforts for an early settlement of the abduction case, noting that the government and people of South Korea have a keen interest in its outcome, according to the spokesman.

Ambassador Zhang responded that he would inform the South Korean Government of their investigation's findings into the abduction case as soon as it is concluded, the spokesman said.

Li Teng-hui Remarks on Nuclear Weapons Viewed

SK3007130295 Seoul SEOUL SINMUN in Korean 30 Jul 95 p 3

[Editorial: "Taiwan's Nuclear Weapons Development Cannot Be Allowed"]

[FBIS Translated Text] Taiwan President Li Teng-hui's 28 July remark on nuclear weapons development was a "bomb statement" astonishing the world.

President Li made the roundabout remark in answer to a question by a national assemblyman; that is, he stated: "We should make a long-term study as to whether we need a national defense system with nuclear weapons." However, it is a significant event for the top leader of a country to mention in public nuclear weapons development.

Some people analyze that President Li's statement is a political countermeasure to a recent series of Chinese military threats. Others analyze that Li's statement is a conscious gesture to show his strong leadership, with the first direct presidential election to be held next year. Whatever the reason, nuclear weapons should not be used, either militarily or politically.

Taiwan promoted its nuclear weapons development program in 1979 when the United States severed its diplomatic relations with Taiwan. As Taiwan is known to be capable of developing nuclear weapons both technologically and financially, there is serious world concern.

We fully understand the grounds of President Li's statement. The current Chinese armed demonstration against Taiwan is visible and threatening. Notwithstanding, the countermeasure of developing nuclear weapons is striking. The Nuclear Nonproliferation Treaty [NPT] was extended in May, and the entire world is strongly criticizing France for planning nuclear tests.

Above all, Taiwan's nuclear weapons development would bring about a dangerous situation, in which the NPT system may come to ruin. It will also shake the roots of Northeast Asia's peace system. We also know well what the result of Taiwan's nuclear weapons development will be on the Korean peninsula.

Taiwan nuclear weapons development cannot be justified for any reason. We should deter it in the name of man. We are also concerned about the background of Taiwan's reconsideration of its nuclear weapons development program. China's pursuance to hold military supremacy over Taiwan, which has recently become obvious, and the U.S. irritation with China over the "Taiwan card" brought about this situation, did they not?

Seoul Presents Economic Documents to OECD

SK3107082395 Seoul YONHAP in English 0752 GMT 31 Jul 95

[FBIS Transcribed Text] Seoul, July 31 (YONHAP) — South Korea Monday [31 July] presented to the Organization for Economic Cooperation and Development (OECD) a set of documents the international forum needs to review before allowing South Korea entry into the world's major economic body, a Foreign Ministry spokesman said.

Filing of the necessary papers with the OECD Secretariat represents the start of procedures for South Korea's joining of the major economic forum, the spokesman said.

The documents, signed by Deputy Foreign Minister Son Chun-yong, were presented by South Korea's representative office to the OECD in Paris to the group's legal counsel Christian Schricke, head of the OECD Legal Directorate, he said.

South Korea officially filed an application for entry into the OECD in late March.

The documents concern South Korea's economic regulations in comparison with the 169 regulations applied to OECD member countries.

After examining the documents, the OECD Secretariat will dispatch task forces to South Korea to get information for reports on the country's economic situation in a variety of fields, the spokesman said.

Kim Yong-sam To Speak at UN in Oct

SK2907122695 Seoul YONHAP in English 1209 GMT 29 Jul 95

[FBIS Transcribed Text] Seoul, July 29 (YONHAP) — President Kim Yong-sam will make a keynote speech at the United Nations General Assembly on Oct.22 on the occasion of the 50th anniversary of the UN foundation, according to a Foreign Ministry official Saturday.

President Bill Clinton and Russian President Boris Yeltsin will also make speeches on the same day, he said.

North Korea meanwhile is scheduled to present a keynote speech at the U.S. General Assembly on the following day, Oct.23, said the official, who, however, added that it was not clear who will make the speech.

Although the speech is supposed to be made at the head of state-level, North Korea has had lower-level officials present the speech.

As North Korea's Kim Chong-il has yet to assume power officially, it is not likely that he will attend the UN assembly to deliver a speech, according to the official.

Government To Offer Amnesty on 15 Aug

SK0108114695 Seoul YONHAP in English 1141 GMT 1 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 1 (YONHAP) — The government plans to effect a sweeping amnesty on the national liberation day of Aug. 15 as part of a policy to foster national reconciliation.

A government official said Tuesday the amnesty, likely to affect about 2,000 to 3,000 prisoners and ex-convicts, is being promoted with a view to providing a turning-point in the promotion of grand national reconciliation.

"Since overall amnesty is planned for those involved in specific categories of wrongdoings, the coming amnesty will take the form of a special presidential amnesty," he said.

Those to be affected would include people found guilty in connection with public security, past elections not including the recent local elections, and the 1993 public officials purification drive.

However, Hyundai Group's honorary chairman Chong Chu-yong and former Pohang Iron Works Chairman Pak Tae-chun would not benefit from the planned amnesty because their cases are still pending at the Supreme Court, the official added.

Police Arrest Chinese Stowaways

SK0108121995 Seoul YONHAP in English 1147 GMT 1 Aug 95

[FBIS Transcribed Text] Samchonpo, Aug. 1 (YONHAP) — The police here caught 52 Korean-Chinese Tuesday [1 August] who had just landed ashore illegally near here for employment in Korea.

They were part of a group of 62 Chinese stowaways mostly of Heilongjiang Province of China. Ten others escaped the arrest and ran away into a nearby hill.

Preliminary police questioning showed that the stowaways left Dalian, China on July 20 aboard a 36-ton boat and were taken over by a small South Korean fishing boat on the high seas on July 30.

They landed near Yuldo-ri, Changson-myon, Namhae-kun around 4 AM Tuesday, and were taking lunch at a restaurant when the police raided at a tip from a suspicious bus driver who carried them from a nearby sea-side hill.

The arrested Chinese including 18 women told the police that before leaving China they paid 400 dollars each to a smuggling ring, a police source said.

Kim Yong-sam Hosts Breakfast for DLP Members

SK0108060495 Seoul YONHAP in English 0542 GMT 1 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 1 (YONHAP) — President Kim Yong-sam reiterated Tuesday his intention to push ahead with reforms in a manner to best serve the people and country as well as to ensure victory in the forthcoming parliamentary elections.

The chief executive told a Chongwadae [presidential offices] breakfast meeting he hosted for the ruling Democratic Liberal Party's [DLP] key postholders and members of the central executive council, "August 25 marks the midpoint of my tenure in office... There is no change in my thinking that I'll act in a righteous way by pushing for changes and reforms based on principles and without fears," DLP spokesman Pak Pom-chin quoted him as saying.

"This is my way of showing my unselfish determination to repay the debts I owe the people," Kim continued. "It is hoped that you'll also renew your resolve and ponder over anew what would be the best way to serve the country at this juncture of time."

Asking the ruling party lawmakers to be self-confident about the upcoming general elections, President Kim was quoted as telling them, "The party will render you the best possible support so that you may win in the general elections next year. Please contemplate what course of action you will take to serve the country, the people and the party best."

Referring to the issue of easing some reforms already instituted by his administration, Kim reportedly said, "As a matter of fact, few inconveniences have been experienced under the real-name financial and real estate transaction systems. The real-name financial system was a bold and right decision the administration had made," leaving no room to relax the enforcement of the current systems of financial and real estate transactions in real names.

As to financial difficulties encountered by small and medium-sized enterprises, however, President Kim reminded the DLP leaders of the instruction he gave to the cabinet Monday to look into the matter seriously, adding, "It is high time that larger enterprises extended their support to solve the problems of smaller businesses."

Larger businesses now might pay smaller firms in cash instead of promissory notes, Kim opined, while calling upon the party leaders to exert themselves to resolve the matter through close coordination with the administration.

Attending the breakfast meeting were 49 key postholders including Chairman Yi Chun-ku, Secretary-general Kim Yun-hwan and floor leader Hyon Kyong-tae and members of the central executive council. Sixteen members of the DLP's central executive council including chief policymaker Yi Sung-yun were absent from the meeting as they are traveling overseas.

Kim Yong-sam Affirms Policy of Serving People

SK3107082195 Seoul YONHAP in English 0759 GMT 31 Jul 95

[FBIS Transcribed Text] Seoul, July 31 (YONHAP) — President Kim Yong-sam said Monday [31 July] he would continue pursuing policies on the principle of serving the people, adding that he would do his best to perform his duties in cooperation with the citizens.

He made the remarks at a luncheon meeting he hosted for leaders of the three government branches and political party heads at Chongwadae [presidential offices] to brief them on the outcome of his recent visit to the United States.

Touching on the liberation day special pardon, he said he had ordered the justice minister to study the issue, noting there are many people who have not yet been restored their civil rights for previous convictions though their crimes were not serious, Yi Won-chong, Kim's senior political secretary who attended the meeting, said.

The president asked for the cooperation of the two opposition leaders, Yi Ki-taek of the Democratic Party and Kim Chong-pil of the United Liberal Democrats, who attended the meeting, saying he would pass the mid-point of his tenure on Aug. 25.

Noting that the industrial and other accidents that have plagued the country over the years were the byproducts of its rapid development, Kim said, "In those days there must have been some reason, but from now on I'll enforce thorough safety controls on all construction projects even though such controls delay the projects."

Emerging from the meeting, Democratic Party President Yi Ki-taek indicated that President Kim is contemplating the possibility of granting a large-scale special pardon to prisoners and those deprived of their civil rights.

He quoted the president as saying that during his visit to Washington, U.S. President Bill Clinton pledged his support in Seoul's efforts to replace the Armistice Agreement with a peace treaty through a direct inter-Korean dialogue.

Yi also said that he asked the president to take steps to insure that orderly and systematic rescue and salvage operations are taken when a disaster such as the recent collapse of the Sampoong Department Store occur, noting the steps the government took in the calamity were inadequate and poor.

President Kim Chong-pil of the United Liberal Democrats, commenting on President Kim's request for cooperation, said that there is no change in his view that the opposition must not oppose every government policy but become a political force responsible for state affairs.

He then expressed his satisfaction with the meeting, saying the atmosphere of the meeting was "very good."

Kim Yong-sam Starting Summer Vacation

SK0108025995 Seoul YONHAP in English 0233 GMT 1 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 1 (YONHAP) — President Kim Yong-sam will leave Seoul Tuesday evening on a summer vacation for five to six days, accompanied by first lady Son Myong-sun and other family members.

Presidential security service chief Kim Kwang-sok, attendant secretary Kim Ki-su and a few other Chongwadae [presidential offices] staff members will accompany him.

During Kim's vacation, chief presidential secretary Han Sung-su will oversee the presidential office, maintaining communication lines with the president for reporting important developments to him during his vacation.

Senior political secretary Yi Won-chong and senior press secretary Yun Yo-chun will also take a break during Kim's vacation, but other senior presidential secretaries are expected to take their leaves after President Kim returns from his.

Chairman Yi Chun-ku of the ruling Democratic Liberal Party (DLP) will leave Seoul Tuesday evening on a four-day summer vacation, while DLP secretary-general Kim Yun-hwan and DLP floor leader Hyon Kyong-tae will also take a few days off next week.

Chief DLP policymaker Yi Sung-yun has already gone on vacation and Minister for Political Affairs Kim Yong-ku will take a break next week.

DLP in 'Disarray' Over Governing Style Issues

SK2907053995 Seoul THE KOREA HERALD in English 29 Jul 95 p 2

[FBIS Transcribed Text] Top leaders of the ruling Democratic Liberal Party [DLP] must feel subdued instead of being enthusiastic about welcoming back President Kim Yong-sam, who is scheduled to return home from his U.S. trip today.

Since he left Seoul last Saturday, the ruling party has been in disarray over demands that President Kim change his style in governing the nation and managing party operations.

Remarks by Rep. Kim Yun-hwan, party secretary-general, may sum up the mood among top party leaders from Chairman Yi Chun-ku to spokesman Pak Pom-chin.

"We have talked about all that we wanted to (during President Kim's absence)," he said yesterday. "Now we have to restrain ourselves from unnecessarily offending each other's feeling. It is desirable for us to watch quietly."

His remarks were referring to a report by the party's think tank, the Yoido Institute, which was critical of President Kim's governing style, and growing restlessness among party lawmakers, which may develop into a revolt against him.

The institute may have rubbed the raw nerves of President Kim when it said in its report that President Kim should abstain from using such strong adverbs in his speech as "absolutely, certainly and thoroughly."

In addition, the institute was critical of the way President Kim carried out his reform policy, which he regards as his hallmark.

People became cynical when President Kim and his proteges, without regard for others, pushed for reforms, the institute said, adding that they should plan out the reforms before announcing them if they are to avoid pitfalls.

It also advised that President Kim make suprapartisan appointments to top party and government posts in order to avoid alienating any group of people.

The report's content was not the only problem. What was more embarrassing was that the report was made available to the news media.

One of the presidential secretaries summoned the head of the institute to Chongwadae [presidential offices] and reprimanded him for leaking the report to the news media Wednesday.

Another development that may have angered President Kim is a demand for a change in his governing style and in-house democracy by Rep. Yi Man-sop, former National Assembly speaker, and other lawmakers.

"My colleagues and I believe the government and its party should not place themselves above the people. Instead, they should be humble to the people," said Rep. Yi from Taegu, where voters expressed their disenchantment with the ruling party by supporting independents in the June 27 local elections.

Rep. Yi, who accused party leaders of failing to understand why voters turned against the ruling party not only in Taegu but in Seoul and other areas, demanded the party leadership change its management of party operations and listen to the voice of the rank and file.

"It is our last chance to win back voters for the general elections in April of next year," said Yi, who did not single out President Kim as the party leader responsible for the party's poor showing in the local elections.

News reports said some of the lawmakers supporting Rep. Yi in calling for changes are considering breaking with the ruling party to create a new political party.

Many of those considering establishing a new party are proteges of former Presidents Chon Tu-hwan and No Tae-u, most of them from Taegu and the province surrounding the metropolis, North Kyongsang Province, according to the reports.

Those lawmakers will make public their grievances about President Kim and other party leaders before making a final decision on their departure from the party, the reports said.

Well aware of these undercurrents in the party, Secretary-General Kim Yun-hwan said, "As various opinions have been presented, we will compile them into a recommendation to President Kim."

Another party official said either Chairman Yi Chun-ku or Secretary-General Kim will submit the recommendation to President Kim early next week.

Based on the recommendation, President Kim is expected to change the party leadership and its structure. He is expected to reshuffle the cabinet as well.

DLP Chairman Proposes Party 'Facelift'

SK3107045795 Seoul YONHAP in English 0440 GMT 31 Jul 95

[FBIS Transcribed Text] Seoul, July 31 (YONHAP) — Chairman Yi Chun-ku of the ruling Democratic Liberal Party (DLP) on Monday recommended to President Kim Yong-sam, who also heads the ruling party, a set of measures to give the party a facelift after its setback in June's local elections.

Yi, noting some lawmakers of the party are dazed by the emergence of Kim Tae-chung and Kim Chong-pil as political leaders from the recent local elections, proposed that Kim reshape his key policies and revamp both the administration and the party in a suprafactional manner for the unity of the broad ruling camp.

He presented Kim with two DLP reorganization plans, one for maintaining the present leadership system and the other for instituting a few vice presidents, a party official said.

Regarding next year's general elections, Yi pointed to the need for a generational change in politics by reuniting the political forces which supported Kim in the 1992 presidential election into the broad ruling camp, while stressing the need for Kim to steer the state's ship in a suprafactional manner and to take steps to solicit support from all walks of life for his reform programs by complementing them, he added.

He also stressed that the party-administration policy coordination system should be put into full operation for "periodic and objective evaluations" of key government policies.

Yi was known to have submitted to Kim a local election evaluation report prepared by the party's think tank, the Yoido Research Institute.

He also reportedly proposed that Kim establish a new relationship with the opposition camp and grant special pardons to those imprisoned for crimes committed during the Fifth and Sixth Republics.

Aug Reshuffle Unlikely

SK3107084795 Seoul YONHAP in English 0833 GMT 31 Jul 95

[FBIS Transcribed Text] Seoul, July 31 (YONHAP) — President Kim Yong-sam is unlikely to shake up the leadership of the ruling Democratic Liberal Party (DLP) in August that was originally projected earlier this month to regain the people's support after the party's humiliating defeat in the June 27 local elections and to help successfully push for national goals during the latter part of his presidency.

The chief executive, who just returned from an official visit to the United States, made the indication while receiving report from the DLP Chairman Yi Chun-ku at Chongwadae [presidential offices] on party affairs Monday [31 July] morning, an aide to Yi said.

One day before his departure for the United States, the head of state had alluded that he would carry out a major revamping of the party he heads around September.

President Kim was known to tell Chairman Yi that he will discuss about the leadership reshuffle after making some consideration on that issue, the aide said.

Poll Assesses Kim Yong-sam's Performance

SK0108015995 Seoul YONHAP in English 0109 GMT 1 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 1 (YONHAP) — Nine of every 10 South Korean citizens think that President Kim Yong-sam should intensify his reform policy, with particular emphasis on educational and anti-corruption reforms, according to a recent poll.

The poll of 1,031 adults across the country, conducted by Korea Survey Poll (Gallup) last Saturday, at the request of the Information Ministry, revealed that 89.4 percent of the respondents said they feel the need to step up the reform drive, while only 10.3 percent said they did not see the need.

As to what reforms should be a priority, 8.3 percent cited educational reforms, 6.9 percent said anti-corruption policies for public servants, 6.8 percent anti-corruption for everyone, 6.4 percent welfare improvement, 6.3 percent political reforms, 5. 9 percent anti-inflationary measures, 4.6 percent measures against faulty construction projects and 4.2 percent easing traffic congestion.

Asked to rate the Kim Yong-sam government's reform programs in the past two years, 68.2 percent gave a positive rating and 31.8 percent a negative one.

Asked to name the most important reform instituted during the past two years, 46.6 percent named the real-name financial transaction system, 21.6 percent eradication of corruption and irregularities, 19.5 percent the purging of corrupt public officials, 14.3 percent the real-name property trading system, 11 percent ranking government officials' property registration and disclosure and 10.3 percent fair and honest local elections.

As for the reason they criticized the real-name financial and property trading systems, 30 percent cited failure to produce the expected result, while 25 percent attributed it to insufficient follow-up measures, 22 percent grievances by some privileged people about the losses they incurred from these systems and 20.7 percent noted its inability to solve the problems encountered during the course of implementing these systems.

Economy Growth Expected in 2d Half of Year

SK3107081195 Seoul YONHAP in English 0748 GMT 31 Jul 95

[FBIS Transcribed Text] Seoul, July 31 (YONHAP) — South Korea's economy is expected to maintain an upward curve during the latter half of this year.

In a report entitled "Recent Trends and Problems of Major Businesses" which the Korea Chamber of Commerce and Industry [KCCI] released Monday [31 July], the chamber made the prediction based on the improved economic conditions in major advanced countries, high economic growth in developing countries and continuing domestic economic expansion.

By kind of business, the export and production of such heavy and chemical industries as electronics, general machinery, automobiles and shipbuilding are likely to rise remarkably in the latter six months of the year thanks to the effects of their market diversification efforts and the continued strengthening of the Japanese yen. On the other hand, the recovery of light industries like textiles, clothing and footwear, due to weakened competitiveness, will likely be delayed.

Machine industries invested 444.9 billion won (588.5 million U.S. dollars) in facilities during the first half of the year, or 48.9 percent of the annual target of 909.2 billion won, while automobile industries executed 1,742.5 billion won (230.5 billion dollars), accounting for 43.3 percent of the year's target of 4,050.3 billion won.

The motor vehicle industry plans to invest an additional 2,307.8 billion won in facilities during the year's latter half, while the machinery industries is preparing to invest an additional 464.3 billion won.

The petro-chemical industry is enjoying favorable conditions because of increased export and domestic demands and 1,769.1 billion won in facilities investments during the first half of the year, or 40.0 percent of their annual target, and they are expecting another 1,061.5 billion won in the latter half of the year.

Meanwhile, the number of reported labor disputes as well as their outbreak during the first six months of the year somewhat declined below the level recorded for the same period last year and the speed with which they settled wage negotiations was notably faster, according to the chamber's survey.

The chamber attributed the improved union-management relations to the emergence of a consensus regarding the need for labor-management cooperation and the unions' self-restraint in demanding high wage hikes.

With regard to business links with North Korea, meanwhile, relevant businesses hoped that the government will be consistent in its policy towards the North and simplify procedures for processing-on-commission trade.

They also called for supplying them with necessary information about the North in advance and expanding the scope and autonomy of private inter-Korean businesses.

In addition to simplified procedures for providing the North with raw materials and technology and having the North Koreans process them on a commission basis, relevant textile businesses requested that customs clearance be expedited, that direct sea routes be opened at an early date and that financial transaction systems, including trade settlement, be improved.

They also recommended that a North Korea window be opened on behalf of small and medium-sized enterprises and that technical guidance may be conducted at the scene by permitting South Korean instructors to stay in the North on a semi-permanent basis.

Growth in Industrial Production Slowing

SK0108065995 Seoul YONHAP in English
0638 GMT 1 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 1 (YONHAP) — South Korea's industrial production growth rate slowed for the fourth straight month in June, registering a 10 percent increase for the month after the increases of 12.5 percent in May, 14 percent in April, 14.4 percent in March and 19.5 percent in February, according to figures released by the National Statistical Office (NSO) Tuesday.

The figure combined with those of the previous six months resulted in this year's first-half growth rate totaling 13.1 percent.

By sector, heavy industries grew 13.2 percent from a year earlier in June and the light industry rose only 1 percent, registering growths of 16.9 percent for the former and 2.5 percent for the latter in the first half of the year.

The decreased domestic demand for compact cars, machinery and other durable goods was responsible for the slowdown in June, NSO Statistical Research Chief Cho Hui-kap said. But the 10 percent increase in industrial output is enough for the economy to grow 9 percent this year and it is wrong to interpret the slowdown as a sign that the economy is weakening, he added.

The economy will continue to expand by the end of the year, as second half growth is expected to reach 8-9 percent against the adequate growth of 7-8 percent.

Moreover, the domestic industry's international competitiveness has increased and the world economy as a whole is on the upswing, both favorable factors for the sustained growth of the South Korean economy, Cho remarked.

On average, manufacturing factories operated at 82 percent of capacity in June, compared with the 82.7 percent recorded for each April and May. The rate stood at 83 percent for the first half of the year.

Orders for locally produced machinery increased 26.2 percent in June and 35.6 percent in the first half of the year. Machinery import permits also increased 31.8 percent in June and 39.6 percent in the first half of the year and actual imports soared 112.5 percent in May but fell 5.9 percent in June for a net increase 70.7 percent.

Consumption expanded 8 percent in each June and in the first six months, while shipments of goods for domestic consumption rose 6.1 percent in June and 9.1 percent throughout the entire half year period.

June shipments of portable telephones and room air-conditioners surged 143.9 percent and 102.1 percent, respectively, but those of compact cars and beepers fell 24.3 percent and 4 percent, respectively, though shipments of beepers more than doubled per month in the first quarter of the year.

The jobless rate stood at 1.8 percent, an all-time record low, in June.

Meanwhile, the composite leading index, indicating the state of business two to three months later, increased 0.1 percent in June and the coincidence index, which measures the current state of business, went up 0.2 percent during the month.

Jul Trade Deficit Climbs to $743 Million

SK0108085095 Seoul YONHAP in English
0803 GMT 1 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 1 (YONHAP) — South Korea's exports in July soared 38.7 percent from a year earlier to 10,557 million U.S. dollars, according to the figures tentatively compiled and released by the Trade, Industry and Energy Ministry [MOTIE] Tuesday [1 August].

The monthly increase rate was the highest since August 1988 when it stood at an all-time record high of 52.6 percent.

Imports in the month also surged 35.5 percent to 11,300 million dollars to register a monthly trade deficit of 743 million dollars, the second smallest monthly deficit in the year following the 532-million-dollar deficit registered for June.

Exports and imports for the first seven months of the year rose 34.2 percent and 37.5 percent to 68,885 million dollars and 76,565 million dollars, respectively, for a net trade deficit of 7,680 million dollars, up 3,301 million dollars from a year earlier.

Considering the monthly trade deficit of less than one billion dollars in June and July each, the balance of trade is expected to considerably improve during the remaining months of the year, a ministry official observed.

In the first 20 days of July, heavy industry achieved an export increase of 48.3 percent, thanks to brisk overseas shipments of automobiles, general machinery and electronic and electric equipment. Light and primary industries also registered export increases of 10.1 percent and 126.2 percent, respectively.

The import growth rate of raw materials in the 20-day period slowed to 26 percent as a result of slackened crude oil imports, while imports of producer and consumer goods soared 47.2 percent and 38.6 percent, respectively, in the same period.

Exports to developed and developing countries rose 32.9 percent and 47.9 percent, respectively, as the European Union saw a 55.5 percent rise, Japan 44.9 percent, Oceania 59.5 percent, China 54 percent, ASEAN (Association of Southeast Asian Nations) countries 41 percent and east European countries 208.5 percent.

Imports from developed and developing countries increased 41.2 percent and 23.2 percent, respectively, meanwhile the United States registered an increase of 67.1 percent, Japan 30.2 percent, eastern European countries 67.8 percent, China 39.4 percent and Taiwan 42.1 percent.

Government May Allow Foreign Takeovers of Firms

SK0108014495 Seoul THE KOREA TIMES in English 1 Aug 95 p 9

[Article by Yi Chang-sop]

[FBIS Transcribed Text] Just as Korean firms can acquire non-Korean ones, like the LG group taking over the U.S. electronics maker Zenith last month, foreign firms appear likely to be permitted to buy Korean firms, even big ones like Samsung or Hyundai, as long as both sides agree.

The government is moving to permit foreigners to buy Korean firms through private arrangements between buyers and sellers sometime next year when the nation joins the Organization for Economic Cooperation and Development (OECD).

A government official said yesterday that the government has begun to "seriously consider the idea of allowing foreign firms to take over Korean companies by buying old stock from major shareholders." But he refused to comment on when the plan would go into effect.

It is speculated that the government will make public its plan to authorize foreign companies to take over established Korean firms through private agreement with local major shareholders when it starts negotiation with the OECD over its membership application in the latter half of this year.

The new measure, if allowed, is expected to send a shock wave through the business community where foreign firms are barred from taking over established Korean companies, analysts said.

Currently, the government institutionally blocks the sale of Korean firms to non-Koreans even if Korean major shareholders want to turn over their managerial rights to international investors. But in the future if and when the new measure takes effect, Korean firms will be able to be sold to foreigners as long as major shareholders want this.

Under the Korean Foreign Capital Inducement Act, there are only five ways foreigners can make direct investment here. They can enter Korea by opening liaison offices, branches, subsidiaries or joint ventures with Korean partners. The other authorized method is for foreigners to buy new shares from existing companies and become major shareholders.

Foreigners are unable to make direct investments in Korea by buying shares on the Korea Stock Exchange because they are barred from owning more than 15 percent of any listed company's shares. Furthermore, foreigners are unable to buy existing established Korean firms by buying "old" shares from major shareholders.

On the other hand, buying and selling of companies among Koreans through private agreement is possible in Korea.

Even if the new rule goes into effect, foreigners would be barred from buying local firms against the will of the major shareholders, namely through hostile takeover bids, as non-Koreans are unable to buy more than 15 percent of stocks listed on the Korea Stock Exchange. Individual foreigners are prevented from buying more than three percent of a listed company's shares on the exchange.

If the foreign stock ownership ceiling were raised or scrapped, foreigners would be able to buy Korean listed companies through the exchange even against the will of the major shareholders.

The government has no choice but to allow foreigners to take over Korean firms through "friendly M&As"

[merger and acquisition] because of the need to maintain reciprocity-based relationships with trading partners. In Western countries, Korean firms face few limits buying foreign firms, like U.S. electronics maker Zenith but foreigners are unable to launch businesses by taking over existing Korean companies. This has been a constant source of complaints from multinational businessmen.

Furthermore, the majority of the OECD countries allow foreigners to make direct investments by taking over the old shares of major shareholders of existing companies, analysts said.

Number of Trading Companies Tops 60,000

SK2807010895 Seoul THE KOREA TIMES in English 28 Jul 95 p 8

[FBIS Transcribed Text] The number of trading companies has crossed the 60,000 mark for the first time, the Ministry of Trade, Industry and Energy [MOTIE] said yesterday.

MOTIE officials said the annual increase in the number of trading companies has been a robust 20 percent since 1993 when regulations were eased, and firms simply had to register with the authorities.

Daewoo, Hyundai Quarrel Over Engine Capacity

SK3007055995 Seoul THE KOREA HERALD in English 30 Jul 95 p 8

[FBIS Transcribed Text] Daewoo Heavy Industries Ltd. and Hyundai Motor Co. have confronted each other over the "optimum" size of the engine capacity attached to "mini" passenger cars that the government will encourage more people to buy and use in a bid to ease traffic congestion and save more energy.

The quarrel has simmered since Hyundai argued early July that the engine capacity of the so-called "national" cars be upgraded from the present 800cc to 1,000cc, threatening the management of Daewoo which produces the 800cc "Tico" passenger cars after spending enormous amounts of money to develop the mini cars.

Hyundai's assertion came right after the Administrative Reform Committee fixed a series of supporting measures to boost the sales of the mini passenger cars in June.

The committee, a government body established to revamp ineffective administrative procedures, announced that it would provide buyers of the mini cars with a variety of favors, including a 50 percent reduction in the registration and license taxes, the compulsory purchasing amounts of state bonds and the parking fees on public parking lots.

Also among the favors to go into effect soon after attaining due approval from President Kim Young-sam are a 50 percent cut in expressway tolls, a 10-30 percent reduction in auto premium, a tax exemption for households possessing two or more cars and an allowance of free parking on some roadsides.

Responding negatively to Hyundai's move, Daewoo sent a letter to the Ministry of Trade, Industry and Energy (MOTIE) Friday, which recommends that the engine capacity of the mini cars be fixed at the present 800cc in order to solve such problems as serious traffic jams in major cities and curb energy consumption.

"The upgrading of the engine capacity, if adjusted, will certainly grant special favor to a certain company and at the same time will deal a serious blow to Daewoo, which has so far spent some 550 billion won (roughly $727 million) for the development of the 800cc Tico," said Choe Yong-sang, executive vice president of Daewoo Heavy Industries Ltd.

Meanwhile, Hyundai officials said that the government should upgrade the engine capacity of the mini cars to propel the exports of mini cars and secure more driving safety.

"To propel the nation's car exports, the scope of the mini cars should be expanded to 1,000cc," said Yi Yong-hun, a director of Hyundai Motor Co., adding that most foreign countries, excluding Japan, treat 1,000cc cars as the national cars entitled to various privileges offered by the government.

Hyundai has prepared for the production of mini cars with an engine capacity of both 800cc and 1,000cc and is expected to churn out mini cars within the coming year.

As for Hyundai's assertion, however, Daewoo officials said that the exports of the mini cars enjoying special favors from the government will be virtually impossible, regardless of the engine capacity, as it would cause trade frictions with countries importing the mini cars because of the government-provided special benefits.

Kia Motors Corp., which has already developed mini passenger cars, named the "M" car, does not seem to have shown keen interest in the engine capacity level of mini cars.

On the matter, Kia will comply with the government's policy, regardless of the engine capacity, a company spokesman said.

In the meantime, the MOTIE, which is in charge of the domestic car industry, has decided to submit the ministry's position about the matter on the engine capacity of the mini cars to the Administrative Reform Committee before mid-August after reviewing the opinions of Daewoo and Hyundai.

Kia Rebuffs Rumors of Merger, Acquisition

SK3007034795 Seoul THE KOREA HERALD in English 30 Jul 95 p 8

[FBIS Transcribed Text] Kia Motors Corp., Korea's second-largest auto maker, vexed with merger and acquisition [M&A] rumors, brushed aside the threat of hostile takeover by rivals through the buying out of foreigners' stakes in Kia.

According to contract terms Kia made with foreign partners, the foreigners are supposed to sell back their equities to Kia, in case of a breakup of business ties.

Kia disclosed the content of contract terms yesterday in an apparent bid to spurn the M&A rumors through the acquisition of foreign equities among local stockbrokers. A Kia official, however, refused to confirm such disclosure.

The Korean carmaker signed capital and technology tie-up contracts with Mazda Motor Corp. and Itochu Corp. of Japan in 1983 and with Ford Motor Co. of the United States in 1986, respectively. Under the contracts' terms and conditions, the foreign partners had to sell their equities to Kia or parties designated by them when they withdraw from the partnership.

Foreign equities in Kia include Ford's 9.4 percent, Mazda's 7.7 percent and Itochu's 2.0 percent, plus some 4 percent of stakes held by foreign investors in Kia's overseas securities on condition of entrusting all managerial and voting rights to Kia. Put together, the foreign equity that cannot be bought for M&A bid amount to 23.1 percent, according to contracts.

Its management improvement committee jointly contributed by the Kia management and employees also holds an 11-percent stake, it showed. All told, the total of "friendly shares" that guard the company from hostile takeover bids will exceed 50 percent, it said.

Kia reportedly distributed 30,000 copies of its in-house publication containing these contents to its employees for self- education and spreading to outsiders during their weeklong vacation starting tomorrow.

LG Semicon Develops Thin Chip Package

SK2807011195 Seoul THE KOREA TIMES in English 28 Jul 95 p 8

[FBIS Transcribed Text] LG Semicon, one of the nation's top three makers of semiconductors, has successfully developed the world's thinnest and smallest package for highspeed memory devices.

LG officials said yesterday that the button leaded plastic (BLP) package is just 35 percent the size of the smallest existing semiconductor packages and requires only 16 percent of the materials.

Unlike conventional packages, which carry complex semiconductor schematics, the BLP packages have button-type pins at the bottom instead of pins stretching out at the side in a shoulder format.

"Because with the pins there is no danger of short circuits with other chips, they can be put closer together. In fact, in the space that conventional chips require three BLP package chips can be inserted," one LG researcher explained.

He said the BLP packages measure just 0.82 millimeters in thickness, 35 percent less than the 1.27mm managed by thin small outline plastic (TSOP) packages, which until now have been the thinnest.

The researcher explained that the package has excellent electrical properties, including the ability to solve signal interruption problems, thus making it suitable for high-speed memory chips such as S-DRAM (synchronous dynamic random access memory) and R (Rambus) DRAM.

Samsung Hopes To Produce TV Parts in North

SK0108070595 Seoul YONHAP in English 0654 GMT 1 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 1 (YONHAP) — Samsung Electro-Mechanics Co. (SEM) has recently submitted an application for government approval to ship production lines for television speakers to North Korea, a ranking Samsung official said on Tuesday.

But, the company has yet to receive the government's approval, the official added.

If the application is approved it will be the first instance in which a South Korean company would provide production facilities to the North, the official noted.

"According to the SEM's plan to manufacture 200,000 to 300,000 sets of TV speakers in the North on a processing-on-commission basis and to introduce them into the South, we have requested the Ministry of National Unification approve the projected shipments of TV speaker production facilities worth 400,000 U.S. dollars to the socialist country," the official stated.

"Production in the North could begin within the year, if the government approves the plan," he added.

An agreement regarding the details of the provision has yet to be reached, but the production lines would be installed at a factory under North Korea's Administration Council, the official said.

Meanwhile, the National Unification Ministry said it still has not made a final decision on Samsung's application.

Losses From Sampoong Disaster Total $95 Million

SK0108061395 Seoul YONHAP in English 0605 GMT 1 Aug 95

[FBIS Transcribed Text] Seoul, Aug. 1 (YONHAP) — The number of businesses which have suffered financial losses from the collapse of the Sampoong Department Store reached 838 and the amount of damage is estimated at 71.7 billion won (about 94.7 million U.S. dollars), the Korea Department Stores Association said Tuesday.

The association received reports of losses from the businesses which had dealt with Sampoong Department Store, from July 19 to 31, and disclosed that the average financial loss per business was 85 million won.

Hanil Trust and Investment Co. claimed the biggest loss with 4.6 billion won, which is mostly deposit money for the department store building, followed by Samsung Co., Ltd. which reported 1.1 billion won in losses.

An official at the association said, "We plan to closely review the documents submitted by the businesses and ask the government for the maximum financial support and tax breaks available to them."

Number Missing Falls Sharply

SK2907032395 Seoul YONHAP in English 0224 GMT 29 Jul 95

[FBIS Transcribed Text] Seoul, July 29 (YONHAP) — As false reports about missing victims in the collapse of the Sampoong department store in southern Seoul are being withdrawn and as autopsy results are being made available by the National Institute of Scientific Investigation (NISI), the number of suspected missing in the nation's worst man-made calamity in history has decreased sharply as of Friday, 31 days after the ritzy department store caved in.

According to an official tally released by Seoul disaster headquarters as of 10 AM Saturday, the number of missing stood at 93 with seven more bodies identified by NISI and two more missing reports confirmed false.

The figure represents a reduction of 71 missing victims from the 164 reported which were still unaccounted for as of July 19.

With police investigations for the missing intensified, two to three false reports have been withdrawn since July 25. Seoul disaster headquarters expects that the number of the missing will dwindle to around 60 including the 40 bodies yet to be identified.

Supposing that the number of missing without bodies do reach 20, search operators plan to intensify their operations at the Nanji landfill where debris from the department store has been dumped in an effort to uncover personal effects of those still considered missing which could serve as evidence to identify them.

The death toll from the disaster stood at 458 while the number of injured was recorded at 318, excluding 615 injured victims who returned home after undergoing medical treatment.

Burma

Aung San Suu Kyi: No Plans To Leave Country

BK3107035395 Bangkok THE NATION in English 31 Jul 95 pp A1, A3

[FBIS Transcribed Text] Burmese opposition leader Aung San Suu Kyi said she has no plans to leave Burma because of fears she might not be permitted to return.

She said she would like to visit Bangkok to receive the honorary doctorate in political science conferred on her in 1991 by Thammasat University. "...but I cannot say at this moment when I shall be able to come," she told THE NATION in an interview at her residence in Rangoon over the weekend.

Thammasat last week renewed its invitation to her to visit Thailand, following her release from six years of house arrest on July 10. The honorary degree is in recognition of her peaceful struggle for democracy in Burma.

The move by the university has come under heavy criticism by several military and political leaders, who fear a visit might irk the military regime in Rangoon.

Suu Kyi said she had already promised to make Norway the first foreign country she visits because of the support the Norwegians had given her and her democratic movement. She said the Norwegian ambassador had invited her to visit Oslo to pick up the Nobel Peace Prize she won in 1991.

Thammasat's vice rector Anek Laothammathat said Suu Kyi could stop by in Bangkok on her way to Oslo. "I could stop over on the way back as well," Suu Kyi said. "I promised Norway it would be the first country I would try to visit."

Asked whether she feared she would not be allowed back in Burma if she left the country, she said: "Yes. That's why I am not coming to Thammasat University in a hurry."

Suu Kyi said she wanted to remain in Rangoon for the moment to continue he organizing. "There is lot of work to be done here and also lots of organization," she said.

Suu Kyi returned from England where she lived with her family in 1988 to take care of her dying mother, but ended up becoming the leader of the democratic forces fighting against the Burmese military before she was put under house arrest in July 1989.

Suu Kyi Questions Constructive Engagement Policy

BK3107031595 Bangkok THE NATION in English 31 Jul 95 pp A1, A3

[Report by Thepchai Yong]

[FBIS Transcribed Text] Rangoon — Burmese opposition leader Aung San Suu Kyi has questioned the constructive engagement policy of Thailand and Asean toward Burma, and urged them to care more about the Burmese people than the Rangoon government.

She also suggested that measured "interference" by countries in the region would help the cause of democracy in Burma.

"I do notice that while promoting the policy of constructive engagement some Asean nations are careful to say that they do not interfere in the internal affairs of another country.

"If they do not interfere in the internal affairs of another country then how far can they help us achieve change?" she told THE NATION in an hour-long weekend interview at her Rangoon residence, three weeks after her release from six years of house arrest.

Suu Kyi said if countries in the region cared about regional peace and stability they should also be concerned about the types of government their neighbours had.

"The world is getting smaller all the time. We have to accept that no country is really free from external influence. We are all subject to some degree of international opinions and external influence," she said.

But she also cautioned against interference that would affect sovereignty.

"If we care about our regional peace and stability we should care about the kind of governments that are in place in those countries," she said.

Expressing scepticism over the policy of constructive engagement, Suu Kyi said there was still no evidence to prove it had been effective.

"The question is for whom has it been constructive? Was it constructive for the forces of democracy? Was it constructive for the Burmese people in general? Was it constructive for a limited business community? Or was it constructive for Slorc [State Law and Order Restoration Council]?" she asked.

She then went on to urge Asean to think about "our long-term relationship and long-term development of Burma."

She said Asean countries should also "consider the fact that you cannot have economic progress without peace and stability."

"And to achieve peace and stability there must be a climate of trust within the nation. There must be a government the people can trust if that country is to be peaceful and stable. In the long run you can't maintain peace and stability without trust and confidence." she said.

However, she admitted that Burma's integration into the regional community through Asean offered no guarantee of a quicker pace of democratic development in her country.

"I am not certain about that. I do not know just how effective the persuasive parts of the Asean nations are when it comes to internal change," she said. Burma took the first step toward becoming a member of Asean by acceding to the Treaty of Amity and Cooperation in Brunei last week.

But she also expressed reservations about sanctions, which some Western countries want to intensify to force democratic change in Burma.

"I have some reservations about sanctions. I do want to make sure that it does not hurt the ordinary people. When whoever thinks of sanctions they should study the situation carefully to make certain that whatever sanctions are to be put into effect really hit those for whom they are intended," she said.

Suu Kyi appealed particularly to the new Thai government to accord priority to the people of Burma when dealing with its western neighbour.

"I would like to ask the government of Thailand to put the people of Burma first. The people are more important than the government," she said. The aspirations and hopes of the people must be taken into account.

"When you think of investment and aid you should really look at how far they help the common people, the really poor people. We are not really interested in investment that will help the rich to get richer," she said.

However, Suu Kyi said she appreciated the support given by Thai people and media to the Burmese democratic forces. "It has been a tremendous encouragement that there's so much support for our cause in Thailand," she said.

While Burmese refugees have complained about the treatment they receive in Thailand, Suu Kyi said she believed that Thai people "are very sympathetic and supportive".

The 50-year-old daughter of Burma's independence hero Aung San said she had strong doubts whether the benefits from the recent investment boom in her country had filtered down to the ordinary people.

She said despite her release, donor countries and investors should not rush into Burma. "They should instead encourage a climate of dialogue and negotiation," she said.

Suu Kyi, who has appealed for dialogue with the State Law and Order Restoration Council (Slorc) following her release, said it was still too early to say whether the military leaders would consider having talks about transferring power to a civilian government.

But she expressed hope that as they had more exposure to the outside world they would learn to respect international opinion.

Asked what stand the international community should take toward Burma now that she has been released, Suu Kyi said there must be pressure for all remaining political prisoners to be freed and for dialogue between the military leaders and the democratic forces.

Brunei, Malaysia & Singapore

Malaysia

Committee To Meet OIC on Arms Sale to Bosnia

BK3007065495 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 29 Jul 95

[FBIS Translated Text] A joint committee of the Ministry of Foreign Affairs and the Ministry of Defense will meet the Organization of Islamic Conference [OIC] Contact Group in New York as soon as possible to decide on ways to sell and send arms to Bosnia-Herzegovina. In the meantime, Deputy Defense Minister Datuk Dr. Abdullah Fadzil Che Wan said options chosen by the joint committee will be studied during the meeting. He was speaking to reporters after inaugurating the fourth sports competition of the Civil Servants Club of the Ministry of Defense. The joint committee was set up by the cabinet last Wednesday after the OIC Contact Group, which met in Geneva, dismissed the UN arms embargo against Bosnia-Herzegovina.

Bosnian Arms Fund Formally Launched 31 Jul

BK3107131195 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 31 Jul 95

[FBIS Translated Text] The UMNO [United Malays National Organization] Youth Movement and the Malaysian Youth Council, MYC, today officially launched a Bosnian Arms Fund and set a target to collect at least 2 million ringgit. The collection will be used to provide assistance to the government of Bosnia-Herzegovina to buy arms to defend themselves from the Serbs aggressors.

Speaking at the launching ceremony in Kuala Lumpur, Datuk Nazri Abdul Aziz, acting leader of the UMNO Youth Movement, said that to date 310,000 ringgit has been collected for the Bosnian Arms Fund after the Selangor state UMNO liaison committee, Terengganu state UMNO liaison committee, and the UMNO Youth Movement announced that they are contributing 100,000 ringgit respectively. The Terengganu state UMNO Youth Movement has contributed 10,000 ringgit to the fund.

Datuk Nazri also said that the public can contribute to the fund either in the form of checks or cash.

Badawi, SRV Minister View Refugees, Spratlys

BK2907143495 Kuala Lumpur UTUSAN MALAYSIA in Malay 29 Jul 95 p 5

[FBIS Translated Text] Bandar Seri Begawan, 28 Jul — Vietnam, the newest ASEAN member, today assured Malaysia that it will take back some 4,000 boat people on a large scale from the Sungai Besi Camp, Kuala Lumpur.

Foreign Minister Datuk Abdullah Ahmad Badawi said his Vietnamese counterpart, Nguyen Manh Cam, promised to gradually repatriate his citizens in large groups under the Voluntary Repatriation Program.

He said the matter will be discussed in depth during the first meeting of the Malaysia-Vietnam Joint Commission in Kuala Lumpur from 5 to 7 September.

Abdullah, who is here to attend the 28th ASEAN ministerial meeting, met Nguyen Manh Cam for about 30 minutes at the Assaraa Guest House in the capital of Brunei Darussalam.

Kuala Lumpur has regarded the boat people issue seriously, particularly in the wake of recent rioting at the Sungai Besi Refugee Camp.

Problem

Malaysia has faced the boat people issue for more than a decade because of its inability to send them back under a program drawn up by the United Nations High Commissioner for Refugees.

Malaysia and several other recipient countries have been worried about Draft U.S. Senate Bill No. 1561 to be passed by the Congress. According to senior ASEAN diplomats, the draft bill offers the refugees "false hope."

The draft bill says, among others, that they will be sent to the United States instead of their homeland, as agreed upon by the recipient countries.

In the wake of the draft bill, the refugees rioted in Kuala Lumpur and Hong Kong as their repatriation deadline set at the end of August was drawing near.

In the meantime, Abdullah said he and his Vietnamese counterpart also discussed overlapping claims to the Spratlys during their meeting. Abdullah explained Malaysia's stance to Nguyen Manh Cam. "We are ready to discuss the issue bilaterally or multilaterally," he said.

Nevertheless, Abdullah said the two sides will adhere to the principles of nonuse of military force to maintain peace in the Spratlys and the South China Sea.

He said Malaysia will have no objection to the issue being discussed at the ASEAN Regional Forum because the issue involves regional peace and stability.

The Right of Passage

Meanwhile, Abdullah said he raised the right of Malaysian vehicles to drive through Thailand to send goods to Laos during his meeting with his Thai counterpart Kasemsamoson Kasemsi.

"The Thai foreign minister understood the matter and gave a positive reply," he said, while adding that the right of passage will increase trade activities in the region.

Editorial Urges Cooperation, Unity in ASEAN

BK3107132595 Kuala Lumpur BERITA HARIAN in Malay 31 Jul 95 p 10

[Editorial: "ASEAN Must Speak With One Voice"]

[FBIS Translated Text] As proud as we are that ASEAN is one of the most important organizations in the region, we cannot deny that there is something lacking that requires immediate attention. The organization, which has just accepted Vietnam as its seventh member, needs to recall the spirit in which it is established and look at what it has done. At times, it has tended to engage in useless quarrels. Sometimes, issues are dragged to the forum that could be settled among the members. This is not in the spirit of ASEAN. At times, issues that could be settled at the negotiating table become hot subjects with the people; this in turn tarnishes relations among the member countries. If ASEAN does not want outsiders to interfere in internal matters that have links to other countries, all the member countries should work hard to settle these issues peacefully.

Although the people of the ASEAN countries have their individual traditions and cultural values, they do not differ much. They all belong to one big family, but the spirit of ASEAN has not yet reached a level where the members share each other's trials and tribulations. We have not seen any member brave enough to raise an issue that is opposed by the big powers out of fear of the reaction it will provoke.

Perhaps the countries concerned are just waiting for common prosperity but do not want to go through the troubles together. We feel that under the spirit of ASEAN it is improper to let one country face problems by itself, especially when the problem is related to an international issue. We admit that each member country, especially those that were colonies, has its own excuse to stay out of the problem. Times have changed, and each member country should act in accordance with the changing situation.

We believe that all ASEAN members should speak with one voice. They should not keep quiet, or worse, issue controversial individual statements. Malaysia has experienced this many times. When it tries to protect a certain vision and faces pressure from several groups, it receives no support from any member country. Although Malaysia occasionally needs moral support from the ASEAN members, none dares say anything. In fact, the actions of some member countries reflect their reluctance to allow Malaysia to be more advanced in all fields. Foreign Minister Datuk Abdullah Ahmad Badawi has said that individually, the Southeast Asian countries cannot function effectively at regional or international forums such as the East Asia Economic Caucus, EAEC, or the ASEAN Regional Forum, ARF. We believe that problems cannot be solved if one country is left to work hard while the others wait and see. By right, no country should adopt a neutral attitude on issues of regional interest.

We believe that the ASEAN members are aware of their past mistakes that have made other countries view the organization negatively. We know that there must be strong ties within ASEAN because it is a good model of regional cooperation. It is difficult for the organization to wield its own influence if it is seen as fragile. We are afraid that one day outside powers will tell ASEAN to correct its own shortcomings before trying to correct other people's mistakes. By then we will see for ourselves that the organization is no longer functioning.

We agree with Thai Foreign Minister Kasemsamoson Kasemsi, who says that ASEAN is now at a critical point. Because of this, he says, the ASEAN members should be ready to envision a new ASEAN, more responsive to the needs of the people and the new global economic and political order. The new ASEAN philosophy should be clearly understood by all member countries. We feel that in the 21st century ASEAN will face several new challenging issues that must be solved jointly. The economic and political gap will be widened when there is competition among the member countries, whereas ASEAN's goal is to create established cooperation. We are confident that ASEAN will have a problem keeping up the spirit of the organization as initiated by its founders 25 years ago if the looseness in the organization is allowed to persist.

Mahathir Departs for U.S. Air Show

BK3107145495 Kuala Lumpur NEW STRAITS TIMES in English 30 Jul 95 p 2

[FBIS Transcribed Text] Kuala Lumpur, Sat.— Prime Minister Datuk Sri Dr Mahathir Mohamed left for the United States today to attend the Oshkosh Air Show in Wisconsin.

He was seen off at the Kuala Lumpur International Airport in Subang by his wife, Datin Sri Dr Siti Hasmah Mohamed Ali, Deputy Home Minister Datuk Megat Junid Megat Ayub and Deputy Transport Minister Datuk Mohamed Ali Rustam.

During the two-day visit, Dr Mahathir will take the opportunity to promote the Langkawi International Maritime and Aerospace Exhibition (Lima '95) to be held in December this year.

He is accompanied by the Science Adviser to the Government, Tan Sri Dr Omar Abdul Rahman.

Importance of Electronics Industry Stressed

Appeal for Innovation

95SE0166A Kuala Lumpur BERITA HARIAN in Malay 21 Jun 95 pp 1, 2

[FBIS Translated Text] Kuala Lumpur, 20 Jun—Datuk Seri Anwar Ibrahim said that domestic companies need to be innovative and aggressive in the use and development of high technology, specially in electronics-related industries, to enable them to face competition.

In connection with this, the deputy prime minister wants everyone involved to have a committed attitude toward development of electronics industries in a way that integrates all aspects.

"Such an approach is very important because we must not continue to invest capital and manpower in traditional sectors such as assembly and manufacturing, which are now increasingly competitive.

"The two main competitors are our own neighboring countries, which have lower labor costs, and the developed countries, where electronic products and products based on information technology have very high value-added," he said today when he inaugurated the 1995 Malaysian Electronics Trade Summit meeting.

The two-day meeting is being held in commemoration of the 10th anniversary of the Malaysian Institute of Microelectronics Systems (MIMOS) and is attended by representatives of 600 companies from 27 countries.

Also present at the meeting were Minister of Science, Technology, and Environment Datuk Law Hieng Ding, Pulau Pinang Chief Minister Tan Sri Dr. Koh Tsu Koon, and MIMOS Director Dr. Tengku Mohd. Azzman Shariffadeen.

Anwar, who is also minister of finance, said that domestic companies must also establish strategic cooperation, not merely with international firms, but also with other domestic companies in all sectors of the economy.

"We encourage Malaysian companies to plan technology transfer programs to make certain that the workers involved will ultimately have the innovativeness to develop technology, products, and services," he said.

He said that the main objective is to guarantee that the country will be self-sufficient in technology, which is critical.

In relation to this, Anwar suggested that MIMOS establish business cooperation with the private sector in the development of electronics, telecommunications, and information technology industries.

He said that close cooperation between the government and the private sector in these fields is very necessary for resolving problems.

"Although the government recognizes the importance of foreign expertise and investment, we will continue the effort to develop domestic expertise and exploit every advantage.

"These actions will clearly help our efforts to place Malaysia at the developed-country level," he said.

Anwar said that in the endeavor to make Malaysia an attractive base for foreign investment, the government will make a variety of efforts, including the creation of a special zone for high technology projects.

He also said that additional incentives are provided to foreign investors, such as in the wafer fabrication sector.

"For our part, the government is always studying how to provide support infrastructure facilities to make investments successful.

"At the same time, the government is studying how to maximize the use of existing information and data networks in addition to operating the administrative machinery in the best way to give the best service," he said.

He said that domestic companies must take advantage of opportunities in the Asia Pacific area, which is one of the main centers of the electronics industry, with an annual growth rate of 15 to 20 percent.

He said that in the conduct of business, therefore, it is necessary for domestic companies to maximize the use of the most up-to-date networks, such as the Internet, on the information superhighway.

Incentives for High-Tech Projects

95SE0166B Kuala Lumpur BERITA HARIAN in Malay 21 Jun 95 p 1

[FBIS Translated Text] The government has given special incentives to three high-technology projects involving investments of 803.6 million ringgit in this country's electronics sector.

Among the incentives are full tax exemption for five years and the freedom to bring in foreign experts and trained workers to work in the Malaysian operations of the companies involved.

Minister of International Trade and Industry Datuk Seri Rafidah Aziz said that two of these projects involve the production of micro controls and high-capacity disk drives.

"In the next two years, investments in the electronics sector are expected to be capital-intensive," she said yesterday in a policy speech and dialogue at the 1995 Malaysian Electronics Trade Summit Meeting in Kuala Lumpur.

Rafidah said that in 1993 the government approved four high-technology projects with investments of 233.8 million ringgit, and last year the number of projects rose to six, involving investments of 434.2 million ringgit.

"In the first four months of this year, two high-technology projects worth 156.8 million ringgit were approved. They are worth about 50 million ringgit and 150 million ringgit, respectively," she said.

Rafidah said that the trend toward increased capital-intensive investment in this country shows that the Malaysian electronics industry is moving from low technology and labor-intensiveness to high technology.

In connection with this, she said that industrial planners and operators need to change their ways of thinking and doing so that they will be more proactive toward the new environment, specially in the high-technology sector.

"Everyone needs to be ready to make sudden changes in handling the needs of high-technology industries, including, if necessary, departing from customary procedures by bringing in scientists, for whom the Immigration Department needs to relax entry requirements," she said.

Answering questions during a 20-minute dialogue with summit meeting participants, Rafidah said that Malaysian-made electronic products are not very well known overseas, because Malaysia has not determined which products produced in this country are classified as Malaysian-made.

She said the weakness of Malaysian companies is that they are stingy in spending money on promotion and on providing information about themselves in quality brochures.

"Most brochures carried by trade delegations are unconvincing, whereas the products are of quality and have potential for sales," she said.

Cambodia

Minister Tells ASEAN KR 'Internal Affair'

BK0108072595 Bangkok BANGKOK POST in English 1 Aug 95 p 8

[Report by Phanrawi Tansuphaphon from Bandar Seri Begawan]

[FBIS Transcribed Text] Cambodian Foreign Minister Ing Huot has reaffirmed to ASEAN that the Khmer Rouge [KR] problem is an internal affair which the government would resolve by itself.

The Cambodian Foreign Minister conveyed the message to ASEAN during a bilateral meeting on Sunday, which he co-chaired with his Brunei counterpart Prince Mohamed Bolkiah, according to the Thai Foreign Ministry spokesman Suwit Simasakun.

Mr Ing Huot assured ASEAN member countries that Cambodia would try to become a full-fledged member within two years and therefore did not want the grouping to be concerned about the Khmer Rouge problem.

"Cambodia is trying to turn the Khmer Rouge issue from a regional problem into an internal conflict," Mr Suwit quoted him as saying.

Meanwhile, Foreign Permanent Secretary Thep Thewakun gave his personal assurance to the Cambodian Foreign Minister that Thailand will not support the Khmer Rouge, an ASEAN source said yesterday.

M.R. Thep represented Thailand at the meeting, the source said.

It was the first time that the Cambodian government had received an assurance on the problem directly from the new government of Banhan Sinlapa-acha.

On Saturday the Cambodian minister said in his opening speech at the 28th ASEAN Ministerial Meeting that Cambodia's problems are no longer the main agenda in all meetings, unlike in the past two decades.

The Cambodian government is determined to ensure national stability and resilience, contributing to the stability of the region, he added.

Mr Huot said the strategy to ensure security and stability in Cambodia was economic development and the strengthening of its armed forces' capability to suppress the Khmer Rouge.

"The Cambodian government still offers amnesty to rebels who come back to develop the country," he stressed.

Mr Suwit pointed out that Cambodia had asked ASEAN to help it develop its agriculture, tourism, and industry as well as to train its officials to prepare for its membership of ASEAN.

Khmer Rouge Communique Seeks Aid From ASEAN

BK2907114595 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 28 Jul 95

["Communique" issued by the spokesman of the Provisional Government of National Union and National Salvation on 28 July — read by announcer]

[FBIS Translated Text] The annual meeting of the foreign ministers of the Association of Southeast Asian Nations, ASEAN, will be held in Brunei at the end of July. The Cambodian nation and people wish success to the ASEAN foreign ministers' meeting for the benefit of member countries and in favor of security, stability, and development in the entire region.

The Cambodian nation and people, who are victims of the communist Vietnam's war of aggression, territorial expansion, and race extermination since the end of 1978 remember forever the assistance and support of the ASEAN people and countries to the struggle to safeguard the nation and race of the Cambodian nation and people. The ASEAN countries have made great contributions to the efforts to find a political solution until reaching the Paris agreement on 23 October 1991. This agreement clearly stated that:

1. There should be control of the withdrawal of Vietnamese aggressor forces from Cambodia; these forces should absolutely be prevented from returning.

2. There should be a four-party national reconciliation within the quadripartite Supreme National Council [SNC].

3. There should be free elections within a neutral political atmosphere.

However, UNTAC [UN Transitional Authority in Cambodia], the alliance, and communist Vietnam had trampled on the Paris agreement and maintained the communist Vietnamese aggressor forces in Cambodia. UNTAC, the alliance, and communist Vietnam had opposed the SNC and the four parties; they had put two parties together. They left intact the communist Vietnam's puppet regime, from top to bottom. Elections were held within communist Vietnam's dictatorial and fascist puppet regime. The two-headed government was set up afterward to continue fueling the Vietnamese aggressors' war to kill and massacre the Cambodian nation and people.

UNTAC and the alliance defended the ethnic Vietnamese and allowed the latter to constantly flow into Cambodia; there are over 4 million of them so far. These ethnic Vietnamese are annexing Cambodia territorially, demographically, economically, and other things. This is a danger threatening the extinction of the nation, territory, and the entire Cambodian race; Cambodia could become Vietnam's property like Kampuchea Kraom [former Cambodian territory now part of southern Vietnam].

The situation in Cambodia is at rock bottom. This is the consequence of communist Vietnam's war and the destruction of the Paris agreement by UNTAC, the alliance, and communist Vietnam. Communist Vietnam's war continues to rage. There is no national reconciliation and no peace in Cambodia. Millions of people have starved to death. Ethnic Vietnamese are everywhere annexing Cambodia in accordance with communist Vietnam's Indochinese federation strategy. Communist Vietnam monopolizes everything in a dictatorial and fascist manner. It is in charge of and decides everything in and outside the country through committees of the Communist Party of Vietnam and the party that is communist Vietnam's puppet.

FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia], the Buddhist Liberal Democratic Party [BLDP], and the Para forces [former noncommunist resistance forces] have remained only in name. They have all been smashed, dissolved, tied up, and locked up inside the iron cage of communist Vietnam and communist Vietnam's puppets.

The two-headed regime has no root within the nation and inside the country. The regime has been opposed to and struggled against by the Cambodian nation and people everywhere. This regime has only intensified fascist activities and fascist laws.

The Cambodian nation and people are struggling only with one aspiration, that is to end Communist Vietnam's war to save the nation and peace and to safeguard the nation, people, and race so that the country and nation remain independent, peaceful, and unified with territorial integrity and with democracy and a market regime like the ASEAN countries.

The Cambodian nation and people would like to express most profound thanks once again to the ASEAN people and countries and appeal to them to continue assisting the just cause of the Cambodian nation and people, particularly to end communist Vietnam's war so Cambodia can recover genuine national reconciliation and peace for the benefit of peace and security in Cambodia and also in the entire region.

Cambodia, 28 July 1995

Khmer Rouge Sees 'Danger' From SRV Immigrants

BK3107040695 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 30 Jul 95

["Clarification" by the "Immigration Ministry" spokesman on problems of Vietnamese immigrants in Cambodia; dated 30 July; place not given — read by announcer]

[FBIS Translated Text] The Immigration Ministry dealing with the problems of the Vietnamese immigrants in Cambodia of the Provisional Government of National Union and National Salvation [PGNUNS] wish to inform the national and international public opinions of the Vietnamese farce at Chrey Thom as follows:

1. The problem of Vietnamese nationals at Chrey Thom is an abject and dirty farce staged by the Hanoi communist Vietnamese and the villainous Western alliance. Communist Vietnam has kept a large number of Vietnamese boat people at Chrey Thom to deceive the world into believing that Vietnamese are not allowed to enter Cambodia. In fact, these Vietnamese boat people are newcomers. They are not the old Vietnamese in this area. At the same time, they have clamored about the presence of Vietnamese nationals at Chrey Thom so as to conceal the daily and nightly influx of Vietnamese nationals into Cambodia through all passes — Chrey Thom, other passes, land and sea passages, and through areas along the border from the Dragon's Tail [area in Mondolkiri Province] to Kompong Som, Koh Kong, and various other (?provinces).

2. The Hanoi communist Vietnamese have sent Vietnamese nationals to Cambodia in connection with their demographic war to annex Cambodia in a planned and systematic manner.

The presence of Vietnamese nationals in Cambodia is not a problem of Vietnamese refugees or ordinary immigrants. The traitorous Hun Sen-Chea Sim-Ranariddh-Sar Kheng puppet regime is a 100-percent tool of communist Vietnam. It has done nothing to prevent the influx of Vietnamese nationals into Cambodia. On the contrary, it has left the border open for more Vietnamese nationals to flow in.

In the face of this grave danger involving the life or death of the Cambodian nation and people and the extinction of our race, the Cambodian nation and people are duty-bound to struggle together resolutely against this Vietnamese demographic war.

3. There are presently over 4 million Vietnamese in Cambodia and this number is increasing without limit. When the Hanoi communist Vietnamese were compelled to sign the Paris agreements in 1991, there were 1,500,000 Vietnamese in Cambodia. From 1991 to 1993, UNTAC [UN Transitional Authority in Cambodia], the alliance, and communist Vietnam sent more Vietnamese into Cambodia, causing their number to rise to 3 million. UNTAC Chief Akashi announced at that time that there were 3 million Vietnamese. From the day communist Vietnam and the alliance merged their puppets into the two-headed government to date, over 1 million more Vietnamese flowed into Cambodia, so their number has increased to over 4 million.

4. The presence of the 4 million-plus ethnic Vietnamese seriously affects Cambodia's sovereignty and territorial integrity and the daily life in the Cambodian society. These 4 million-plus Vietnamese have seized control of Cambodian land, farms, water, rivers, streams, and the economy, thus causing millions of Cambodians to suffer from starvation. They have destroyed Cambodian civilization, culture, and traditions. They constitute a fatal threat to the Cambodian nation, people, and race. As a matter of fact, the 4 million-plus ethnic Vietnamese in Cambodia are communist Vietnam's aggressor forces for annexing Cambodian territory. These forces must be returned to Vietnam.

5. The entire Cambodian nation and people, including journalists and all patriots in the cities, rural areas, and abroad, clearly see the danger of these 4 million-plus ethnic Vietnamese. They have struggled valiantly and are waging all forms of struggle to solve this problem. The most important thing in this struggle is to make every effort to end the war so as to achieve national reconciliation, peace, and muster sufficient national forces to resolve jointly all serious national and social problems, including the problem of these 4 million-plus ethnic Vietnamese.

The struggle to drive the Vietnamese out of Cambodia is advancing vigorously. Nothing can stop it.

6. The PGNUNS has time and again stressed that its goal is to join with the entire nation and people in the efforts to successfully solve the problem of ethnic Vietnamese.

30 July 1995

[Signed] The spokesman of the PGNUNS Immigration Ministry dealing with the problems caused by Vietnamese immigrants in Cambodia

Commentary Urges Patience for Unification

BK3007154795 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 29 Jul 95

[Political commentary: "Patience Should Be Displayed for the Sake of National Reconciliation and Unification"]

[FBIS Translated Text] At the time when our motherland, already out of a gloomy state, is still staggering, a number of extremist forces, under the label of liberal multiparty democracy, are presently trying to push Cambodian society into confusion with the aim of hindering the process of restoring and redeveloping the country.

Each of us has already been aware that no individual, group, or political party has the exclusive right to control and administer Cambodia alone. This is why all warring Cambodians agreed to talk for the sake of national unification and reconciliation after fighting and killing one another with no winner or looser. As a result of the talks, coming into existence were the Paris peace accord, an election supervised and organized by the United Nations, a National Assembly, and a government.

Thanks to the elections, Cambodia has regained its position within the international community and has politically and economically opened its door to liberal democracy and a market economy that are all new for the country.

Now, we are implementing the policy initiated by our sacred king, meaning we are trying to achieve national unification and reconciliation based on a liberal multiparty democracy in a Cambodian way that can in no way be a prototype from any other country.

If national reconciliation is to be discussed again, patience and mutual understanding and forgiveness should also be mentioned and unity and consent should be established in order to restore and rebuild the country.

In such a badly ruined society, there is a lot of work that needs to be done and a great many problems that need to be solved. Some work we can tackle by ourselves while others are beyond our ability, especially our financial capability. Some work has already been tackled, but scores of loopholes and shortcomings still exist because we are still young and inexperienced. As for some other issues, when we begin to solve them, they suddenly become entangled with several other problems which are sometimes beyond our competence. There are scores of priority problems that we need to solve but sometimes, we don't even have the ability to solve the top priority ones.

We do believe that the leadership at all levels, from the government to the lowest levels, want to solve all the problems. However, everything does not depend only on our desire. Possibility, ability, and timeframe are determinant factors of all solutions. Sometimes, only one factor is linked with another but other times all three factors are connected together. So in the current situation concerning our country, understanding and forgiveness are most needed to restore genuine political stability, otherwise everything will get stuck and confusion and reversal may even reoccur. At that time, things that are most needed, perfect, or of top priority cannot be implemented, in any case.

If national interests are chiefly taken into account, there is no reason or advantage to stir up and muddy the situation by digging up old issues to complicate the present shortcomings.

Constructive criticism is different from actions to dig up things in order to create conflict and division and to spread slander. Constructive criticism is originated from unification that is aimed at rebuilding the country, while the stir to create conflict is originated from hostility that is imbued with a desire to carry out reprisal and to compete to liquidate one another. Things that are pushing the national society of Cambodia away from national reconciliation and unification are the most unfavorable omen for national political life.

The present is the most auspicious time for Cambodians from all tendencies to exhibit patience and to reunite to endow the Cambodian society with genuine political stability, thereby allowing it to have the opportunity to strengthen the stability of its legal administrative structure in assuming full control over the state.

ASEAN Training Planned for Personnel

BK3107041095 Bangkok THE NATION in English 31 Jul 95 p A5

[FBIS Transcribed Text] Cambodian Ambassador to Jakarta Keo Put-reaksmei said his country plans to set up a liaison office in Jakarta to coordinate with the Asean Secretariat, as well as establishing one in each Asean member capital.

Under the plan, four people would be sent to the Asean Secretariat to learn about social, economic and administrative matters. Another two would be sent to Asean capitals and work with the Asean Departments there in preparation for membership by 1997.

Put-reaksmei listed the three key factors for Cambodia's entry as personnel training, following guidelines and financing.

Being granted observer status, Cambodia will join Asean's committees on cultural and social cooperation and anti-drug policies.

Put-reaksmei is concurrently also ambassador to the Philippines and Brunei. Apart from Put-Reaksmei, the Cambodian government has posted an ambassador in Bangkok who oversees Singapore and Malaysia.

Indonesia

Editorial Views Thai-Burmese Relations

BK0108043595 Jakarta KOMPAS in Indonesian 29 Jul 95 p 4

[Editorial: "Dialogue With Burma Is Better Than Adopting a Confrontational Attitude" — passages in italics published in English]

[FBIS Translated Text] There was an interesting news report from Thailand on Thursday (27 July). Several military officers reminded Thammasat University that its invitation to Burmese dissident Aung San Suu Kyi to receive a honorary degree in politics could affect good relations between Bangkok and Rangoon.

"As far as I know, the Burmese Government is unhappy with the invitation and would feel uncomfortable if the Thai Government gave the visit the green light," Navy Commander Admiral Prachet Siridet told the local English-language newspaper THE NATION on Wednesday (26 July). Meanwhile, Assistant Army Commander General Chettha Thanacharo said any invitation to Aung San Suu Kyi must be carefully considered to avoid straining relations with Rangoon. Thammasat University, said to have invited Aung San Suu Kyi, has denied the report. A source at Thammasat University said there has been no official invitation to Aung San Suu Kyi, who was released on 10 July after almost six years of house arrest. In fact, there was an invitation for Aung San Suu Kyi to receive an honorary degree in politics in 1991, after she was invited to visit Norway to receive the 1991 Nobel Peace Prize.

Whether or not Thammasat University will invite Aung San Suu Kyi to Bangkok is no longer important, as several military officers have commented on the matter. The new Thai government's attitude toward the invitation is a more interesting point. Is the government of Banhan Sinlapa-acha prepared to receive Aung San Suu Kyi?

There has been no reaction from the coalition government led by Prime Minister Banhan Sinlapa-acha to the comments by several military officers on Thammasat University's reported invitation. In view of the Thai history, however, the Banhan government's foreign policy is not expected to be different from that of his predecessor Chuan Likphai.

Thailand has maintained unique and special relations with Burma, with which it shares a common border. Relations between Thailand and Burma are generally good despite frequent irritants in their relations caused by Thailand bearing the consequences of clashes between Burmese troops and Karen rebels along the border. Bilateral trade and Thai investment in Burma are huge. The Banhan government is, therefore, not expected to allow Aung San Suu Kyi to visit Thailand out of fear that it may hurt the feelings of the Burmese Government.

Many people believe that the Burmese dissident should not be invited to Bangkok unless the Burmese Government allows her to go. There are many Burmese students and youths studying in Thailand. There are fears that the students and youths, generally strong supporters of Aung San Suu Kyi, will use a visit by Aung Suu Kyi to campaign against the Rangoon military junta. Thailand does not want its territory to be used for hostile activities against its neighbors.

This attitude was proved when anti-integration East Timor leader Ramos Horta was invited to attend a seminar organized by a Thai nongovernmental organization last year. Although Ramos Horta managed to appear at the seminar for a while by using the privileges of the Portuguese Embassy in Bangkok, he was later asked to leave Thailand immediately because of Thailand's respect for Indonesia's feelings.

Unlike the Western countries that have imposed economic and political sanctions on Burma, Thailand is trying to hold a dialogue with Burma. The other ASEAN countries have adopted similar policies toward Burma. One of ASEAN's basic principles is noninterference in the internal affairs of other countries.

Collectively, ASEAN pursues a similar policy toward Burma. Accordingly, ASEAN, including Thailand, refrained from getting involved in Burma's internal affairs when the ruling junta disregarded the victory of the National League for Democracy led by Aung San Suu Kyi in the May 1990 general election. ASEAN did likewise when the Burmese dissident was placed under house arrest by the ruling junta, which calls itself the State Law and Order Restoration Council, on 20 July 1989.

The policy of noninterference in the internal affairs of other countries does not mean that ASEAN is indifferent to what is taking place in Burma. While the Western countries are exerting diplomatic pressure and imposing economic and political sanctions on Burma, ASEAN has opted for the so-called policy of *constructive engagement* with that country. Through the policy of *constructive engagement*, ASEAN is persuading that country to undertake democratization and respect human rights. The settlement of the Cambodian issue taught ASEAN the lesson that dialogue is far more productive than a confrontational attitude.

ASEAN succeeded in urging Vietnam to withdraw its troops from Cambodia only after ASEAN opted for dialogue with Vietnam. ASEAN did not succeed in forcing Vietnam to withdraw its troops from Cambodia through its confrontational attitude in various international forums, including the United Nations, after 1979. Vietnam withdrew its troops from Cambodia only after ASEAN invited the warring factions to the Jakarta *informal meeting* at the Bogor Palace in 1988.

A somewhat similar situation is taking place in Burma. Considerable progress has been made since ASEAN adopted the policy of *constructive engagement* toward Burma. Although Western countries continue to impose economic and political sanctions on Burma, they have admitted that ASEAN's policy has yielded positive results.

ASEAN does not stop here, however. ASEAN hopes that the release of Aung San Suu Kyi will set the stage for the Burmese Government to take other positive steps.

Philippines

MNLF Chief Threatens To Renew War

BK2907090495 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 27 Jul 95

[FBIS Translated Text] The MNLF [Moro National Liberation Front] will continue to demand for a provisional government as a condition for peace talks, MNLF officials reveal. They believe that only autonomy could pave the way for the return of peace in Mindanao. The officials have also insinuated that the government has no plans to give in to the MNLF demand.

[Begin recording, in English] [Uztaidz Salin Jali] There is no concession on the provisional government.

[Unidentified correspondent] No concession, sir?

[Uztaidz Salin Jali] What concession, election for the chairman [Nur Misuari] to run for the governor? That is not concession. That is surrender. [end recording]

Meanwhile, MNLF Chairman Nur Misuari has warned about the possible outbreak of chaos if their demand for a provisional government is not granted.

[Begin recording, in Tagalog] [Unidentified correspondent] Sir, what...

[Misuari, in English] We have already made lot of concessions. All the time we are the ones who are making concessions. For you to demand that we concede and concede, we will end up getting nothing at all, and if we do not get nothing there will be no peace in Mindanao. [sentence as heard] On the part of the MNLF, we will continue to look for a way out of whatever dilemma that may come should we fail to conclude our talks.

We do not want war. We hate war. We reject war with cold hands, but, of course, we are human beings and we have every right to take the option of exercising our right of self-defense should there be unnecessary provocation. [end recording]

On the other hand, General Santos City Mayor Rosalita Nunez has strongly denied that the people are in favor of the provisional government in their city. Mayor Nunez confirms the rejection by her constituents.

[Begin Nunez recording, in English] Honestly, I would say that 90 percent of the people here are not for the provisional government. [end recording]

According to Executive Secretary Ruben Torres, the president will not violate the constitution and give in to the MNLF demand. However, the MNLF has justified their position by stressing the Tripoli Agreement in demanding for a provisional government.

[Begin recording, in English] [Torres] No, I do not think that is a risk that even any president would take to be impeached, and because the president has sworn to defend and protect the constitution of the Philippines, we cannot just do anything that will, you know, violate the law.

[Jali] The Tripoli Agreement is an international agreement, so an international agreement is higher than any constitution, and it affects the position of the MNLF. [end recording]

Government To Merge MNLF Forces Into AFP

BK3107075295 Manila MANILA BULLETIN in English 28 Jul 95 pp 1, 8

[Report by Cena B. de Guzman]

[FBIS Transcribed Excerpt] General Santos City — The government panel and the Moro National Liberation Front (MNLF) agreed in principle yesterday to integrate MNLF forces into the Armed Forces of the Philippines (AFP), according to former Ambassador Manuel Yan, head of the government negotiating panel.

"But we are still determining how many will be integrated, the mode of integration whether by units of individuals, the ranks of the command structure and command relationship," Yan said.

Yan also said that the integration of the MNLF forces into the AFP will be done on a proportionate basis but the details are still being worked out.

"As soon as an agreement is reached, it will be included in the enabling act," he added.

Yan, who is also the presidential adviser for peace process, disclosed that the MNLF and the government panels have agreed on 85 percent of the contentious issues, but the issue on autonomy "is still being discussed in our caucus and executive meeting."

Based on the reports from the various working committees, the government side said that the two panels "in general, agreed on terms of education and economic and financial system."

Yan revealed at a press conference that agreement was reached on "the management of the educational system (which is) the primary concern of the autonomous regional government, consistent to the policies of programs prescribed by the Department of Education, Culture, and Sports (DECS)."

Both panels also considered the report of the support committee on financial and economic committee of a "sharing system" but Yan said that "we (panels) are still in the process of going over the reports."

Yan expressed hopes that the sixth mixed committee meeting being held here would be the last but said that "there are still a few more points that require more time to be studied."

Yan also disclosed that Nur Misuari, MNLF chairman, may still run for an elective post in the 1996 Autonomous Region in Muslim Mindanao (ARMM).

Yan told newsmen during a short break in the sixth round of meetings that Misuari "requested to be given adequate time to study the proposals and consult with other leaders based in Jolo, Sulu."

He added that in several weeks, Misuari "should be able to give (us) his decision."

Yan said that the Ramos administration will support Misuari if he decides to run, even under the administration Lakas-NUCD-UMDP [Power of the Nation-National Union of Christian Democrats-UMDP — expansion unknown] party.

The ARMM consisting of the provinces of Tawi-Tawi, Sulu, Maguindanao, and Lanao del Sur will hold elections in March for governor, vice governor, and members of its legislative assembly.

There had been suggestions that Misuari run for ARMM governor.

Yan said the proposal that Misuari run for an elective post in the ARMM is practical and allowed under the law. "This option has the advantage that Misuari and his party will have an opportunity to show their capability for governance and, at the same time, give the people of Mindanao and the other province a chance to observe his performance," he pointed out.

But in an interview yesterday at the Phela Grande Hotel, site of the mixed committee meeting, Misuari stressed that "for us (MNLF), the most important is the (peace) process."

"On matters of decision, I do not stand alone," Misuari said, adding that "that's why I am going around to get the sentiments of the people and to decide based on the prevailing mood in the country."

But the MNLF leader stressed that he "would rather that we finish this work (peace process) first before we talk politics." [passage omitted on irrelevant reports related to the MNLF and the peace talks]

Government, 'Right-Wing Rebels' Resume Talks

BK0108095695 Quezon City Radio Filipinas in English 0230 GMT 1 Aug 95

[FBIS Transcribed Text] The peace talks between the government and the right-wing rebels have begun on a positive route. The rebel group, Rebolusyonaryong Alyansang Makabayan [Revolutionary Nationalist Alliance], or RAM, has given the assurance that the country has seen the (?last) of its bloody coups. The negotiations opened yesterday at Camp Aguinaldo. Former soldier Edgardo Abenina led the RAM panel while Fortunato Abat was the chief negotiator for the government.

Thailand

Amity Treaty 'Guideline' for U.S. Trade Ties

BK3007065795 Bangkok THE NATION in English 29 Jul 95 p B2

[Report by Wichit Chaitrong]

[FBIS Transcribed Text] The Commerce Ministry would adhere to the Thai-US Treaty of Amity as the guideline for Thailand's trade relationship with the United States, Commerce Minister Chuchip Hansawat said yesterday.

His statement was in contrast with the State Council's interpretation that the treaty was invalid because it was not ratified by Parliament.

Indeed, during the Chuan government the treaty spurred many questions, both between Thailand and the US and with other trading partners.

The US tried to use the treaty to pry open Thai markets by referring to favourable conditions Thailand offered to the US, particularly in the insurance market, but several of Thailand's other trading partners have complained that Thailand is favouring US businessmen alone.

According to Chuchip, other trading partners should not feel Thailand is discriminating against them.

"Those countries could make a similar treaty with Thailand," he said.

Chuchip's policy towards the US is the same as that of his predecessor, Uthai Phimchaichon, who paid much attention to US interests.

Uthai supported the US request for approval to be granted to Universal Insurance Co's branch expansion, which is still pending.

Regarding the issue, Chuchip said he would examine the law before deciding the issue.

During the former government, the State Council advised the government that Universal Insurance could not open new branches, while the International Economic Committee Policy, chaired by former Deputy Suphachai Phanitchaphak, said if the government wanted to allow Universal Insurance to open more branches it had to amend the insurance law.

Universal Insurance Co, wholly-owned by the American International Group, has one office as the present insurance law prohibits any foreign firm — a company more than 25 per cent owned by non-Thai citizens — from expanding its branches.

It is likely that Chuchip has placed priority on trade issues with the US.

With only a few days in office, Chuchip has already written to US Trade Representative Mickey Kantor on the tobacco quota issue.

The US has still not given Thailand access to its tobacco market — it promised at the Geneva trade talks that it would allow Thailand access for 7,000 tonnes of tobacco.

Chuchip said he wanted the tobacco trade to continue, because any problems may reduce the effectiveness of the drug crack down as tobacco was planted to replace drug crops.

Chuchip's letter to Kantor outlined the same reason for allowing the promised market access as an earlier one sent by Uthai.

"Anyway, the trade relationship between the two counties is at a satisfactory level," he said.

Chuchip did not think the US would pressure Thailand as the US has to comply with the World Trade Organization.

Meanwhile, Sanit Worapanya, director-general of the Export Promotion Department, said that Thailand generally does not have any serious trade issues with the US.

Problems concentrate on isolated matters, such as insurance, tobacco and canned pineapple — on which the US has imposed a high tax based on the dumping margin.

Asked if he would meet with US ambassador David Lambertson to consult on trade issues, Chuchip said he would not because Lambertson's term has almost expired.

He said he would wait for the new US ambassador.

In a related development, Deputy Commerce Minister Montri Danphaibun said the Business Economics Department would be the coordination centre for related ministries on trade issues.

He said Deputy Prime Minister Amnuai Wirawan had told him that the Business Economics Department would be the secretary to the International Trade Policy Committee.

In another development, Chuchip yesterday assigned Phairot Suwannachawi to look after the Internal Trade and Business Economics Departments, and Montri the Export Promotions and Commercial Registration Departments.

Chuchip is responsible for foreign trade, intellectual property, insurance and the Public Warehouse Organization.

U.S. GSP Status Restored to 15 Exports

BK0108064095 Bangkok BANGKOK POST in English 1 Aug 95 p 1

[FBIS Transcribed Text] The United States will restore Generalised System of Preference status for 15 Thai exports, Commerce Minister Chuchip Hansawat said yesterday.

Thailand was told of the decision yesterday by the US economic counsellor in Bangkok. The list of products which would regain GSP status would be announced soon, Mr Chuchip said.

The United States revoked GSP privileges on 16 Thai products in 1989, claiming Thailand was not adequately protecting intellectual property rights.

Thailand pressed the US several times to restore the privileges after bringing its Copyright Law up to international standard.

The products affected include silver ornaments, rice flour, furniture and artificial flowers.

Mr Chuchip said US Trade Representative Mickey Kantor had sought President Bill Clinton's approval to restore the privileges, in recognition that Thailand had improved intellectual property protection.

"Thailand made considerable progress in improving its legal protection for intellectual property and enforcement," Mr Kantor said.

The US said it would continue to work closely with Thailand and other World Trade Organisation members to make further improvements.

Thailand amended intellectual property rights laws to comply with international obligations under the Trade Related to Intellectual Property (TRIPs) Agreement.

Mr Kantor said Thailand had lodged new petitions for GSP benefits. But several legal conditions must be met first because the issue involved the economic impact on the United States and trade policy considerations.

He noted this was the first time in six years that new petitions on behalf of Thailand had been accepted for review. This reflected progress in the intellectual property area.

Mr Chuchip made the GSP his priority in dealing with international trade matters. The US announcement came the day he was consulting Commerce officials on the issue.

His other priorities are measures to prevent falls in prices for products such as rice, tapioca and pineapple; negotiations with the US on tobacco quotas; and trade liberalisation under the Asia Pacific Economic Cooperation (APEC) forum.

Mr Chuchip discussed the issue with his deputies Phairot Suwannachawi and Montri Danphaibun, Commerce Permanent Secretary Charae Chutharattanakun and department directors-general.

A Commerce Ministry source said that during hearings in the US on Thailand's request for GSP privileges to be restored, supporters of the move claimed it would not damage US industries. But the American labour interests strongly opposed the move, claiming Thailand did not sufficiently protect workers' rights, particularly under the State Enterprise Labour Relations Act.

The withdrawal of privileges from the 16 products had not seriously damaged Thai exporters because the volume of sales had continued to increase in some cases, the source said.

Foreign Trade Department director-general Oranut Osathanon said her agency had discussed the tapioca industry.

The Commerce Ministry was considering quota allocations for tapioca pellet exports for 1995-96, but traders were wanting free trade, he said.

Another ministry source said Mr Chuchip wanted to know the implications of APEC's agreement for freer trade starting in 1997.

Commentary Views Relations With U.S.

BK2807051395 Bangkok THE NATION in English 28 Jul 95 p A2

[From the News Desk "Analysis and Commentary" by Rita Payasewi]

[FBIS Transcribed Text] The Banhan government has started poorly in its hurried attempt to settle the drug allegations issue with the United States, Thailand's long-time ally.

A customary courtesy visit to congratulate Foreign Minister M.R. Kasem S. Kasemsi on Tuesday by U.S. Ambassador David Lambertson swung suddenly from a warm occasion to cold diplomatic negotiations after the Thai side sent out a covert but unmistakable message: give concrete evidence or back off.

Despite reassurances that the two countries would continue to strengthen relations, the U.S. reluctance to provide evidence to support its denial of an entry visa to certain Thai politicians on grounds of suspicion of involvement in drug trafficking spoiled the meeting, according to informed sources.

Kasem could be seen as a little too rash, but the ongoing media reports and commentary on the U.S. accusations, which have greatly embarrassed the new government internationally, made his move understandable.

During the one-hour talk with the envoy, the new minister wasted no time on protocol, focusing his diplomatic skills on coaxing the U.S. to provide evidence to support the allegations.

"Minister Kasem told Lambertson that although the U.S. regards the issue as a case involving individual Thai citizens, the Banhan government could not ignore it because some of those accused are either strong supporters or MPs in the ruling Chat Thai Party," the source said.

Kasem "diplomatically" demanded clarification and proof from Washington to substantiate its decision, saying those individuals had the right to defend themselves.

Kasem told the ambassador that if Washington remained silent, the government would consider recent U.S. statements opposing the accused politicians' possible participation in the new Cabinet as interference in Thai domestic affairs, the source said.

Kasem, a career diplomat who served as the Foreign Ministry's permanent secretary before retirement, told the U.S. ambassador that the two nations enjoy very good relations and "friends should help friends in need".

But Lambertson remained firm during the talks, saying the U.S. has sufficient evidence to substantiate denying visas to the accused politicians.

He added that the U.S. has no intention of embarrassing anyone or interfering in Thai politics. The visas had been denied under U.S. immigration laws, which allow the refusal of entry to any person suspected of involvement in narcotics activities.

These laws and regulations apply to everyone who applies for a U.S. visa.

Lambertson's comments suggested the ban would continue, observers said.

The ambassador also informed Kasem that Washington opposes any move by the Banhan government to set up a national committee to investigate the U.S. allegations. He said it was difficult for the U.S. to cooperate in information sharing. The law relating to classified information does not permit U.S. authorities to disclose or disseminate intelligence information.

After the meeting Kasem lost his cool.

He told reporters that in the absence of concrete evidence, Washington is just trying to influence Thai politics by voicing its opposition to any shady politicians in the new administration.

"I think we have to stop here for the time being," Kasem said emotionally.

U.S. State Department spokesman Nicholas Burns said in Washington shortly after the July 2 general election that the inclusion in the Cabinet of people suspected of drug trafficking links could "complicate bilateral relations".

Evidence linking individuals to the drug trade would be made available to the Thai government upon request, but would not be made public, Burns said.

Army on Alert Along Cambodian Border

BK2807073895 Bangkok THAILAND TIMES in English 28 Jul 95 p A3

[FBIS Transcribed Text] Ubon Ratchathani — The Thai military has prepared itself to defend the Thai areas along the Cambodian border due to the recent outbreaks of fighting between the Cambodian government and the Khmer Rouge, a military source said yesterday.

According to the source, Thai soldiers are ready to retaliate against the Cambodian military in case the Cambodian side violates Thai sovereignty by crossing over the border. If necessary, the Thai military will warn Cambodian soldiers by shooting in the air.

At the beginning of this month, the Khmer Rouge seized a Cambodian government base at An Ma border pass, only 30 kilometers away from Nam Yun District.

Since then, the Cambodian government has been heavily attacking the Khmer Rouge, as several Cambodians were killed or injured in the previous fighting, and some of the combat has spread across the border. In particular, several shells have landed in Thai territory and caused damage.

Army Cautions on Allowing Suu Kyi To Visit

BK3007122995 Bangkok THE SUNDAY NATION in English 30 Jul 95 p A3

[FBIS Transcribed Text] The Army has advised the government to consider carefully before allowing Burmese opposition leader Aung San Suu Kyi into the country.

Spokesman Col Phalangkun Klahan said yesterday the Army had no authority to stop her visiting, but the government should consider the possible consequences because the effects on the country could be adverse.

Thammasat University recently renewed its 1991 invitation to Suu Kyi to receive an honorary doctorate.

"The Army has no right to stop anyone's actions, but on an issue as sensitive as this we should think a little, not just go along with what others say," Phalangkun said.

He stressed the need to take security into consideration, since Thailand's relations with Burma have recently improved.

It is not wrong for a person to hold a different opinion in a democracy, Phalangkun said, and he should not be condemned for objecting to her visit.

"Many have said that we don't want to let her in. It is not that. We just want to caution. Members of the military are like any other citizens and have the right to state an opinion," he added.

Army Chief Denies Role in Arms Procurement

BK2807064295 Bangkok BANGKOK POST in English 28 Jul 95 p 3

[FBIS Transcribed Text] Army chief Gen [General] Wimon Wongwanit yesterday denied newspaper reports that he wanted to buy certain types of weapons during his tenure saying he was never interested in doing so.

"You may have noticed no weapons traders ever walk after me when I travel abroad or anywhere," he said.

He said some newspapers had taken his words incorrectly.

The Army chief said that what he had remarked was that he wanted to see obsolete weapons like M-16 rifles, which have been used for several decades, replaced, and the replacement should be carried out gradually.

There must be trial use of many kinds of weapons by personnel of all levels to decide which one is best, he said.

Concerning Defence Minister Chawalit Yongchaiyut's remark that he would seek to review the budgets proposed by the Armed Forces, Gen Wimon said he saw no problem with this.

The Army, with increasing responsibilities, should get a bigger allocation, he said.

Gen Chawalit, meanwhile said that since being appointed defence minister he has never met with any weapons traders, only with New Aspiration Party members.

Any purchase of weapons in the future will be carried out with "transparency". Gen Chavalit was responding to Democrat leader Chuan Likphai's remark that he was concerned to hear that weapons traders had met Gen Chawalit on the day the Cabinet line-up was announced.

Rentals of Copyrighted Works 'Expected To Boom'

BK2807064195 Bangkok BANGKOK POST in English 28 Jul 95 pp 17, 32

[Report by Somphon Thaphanachai]

[FBIS Transcribed Text] Rentals of recordings, motion pictures, videos, computer software and other copyrighted works are expected to boom because of developments in information technology, says an industry expert.

But suitable measures will be needed to prevent widescale copying of these works, warned Thianchai Pinwiset, president of the International Federation of Thai Phonography [IFTI].

He was speaking at a seminar on rental rights for copyrighted works, organised by the Intellectual Property Department.

He predicted that the rental industry would develop rapidly because the life cycle of these products was short and users were willing to pay a rental fee which cost significantly less than purchasing.

Mr Thianchai said while compact discs would be very popular rental items, few customers would rent them purely for home listening. Many would record the discs and some would make multiple copies, he said.

High technology, even on moderately priced home equipment, has resulted in the quality of copied tapes being nearly as good as that of the original material.

The Japanese Government responded by passing a law prohibiting the rental of CDs for anywhere from one month to one year after their initial release, depending on demand and popularity

Japan also collects a copyright royalty from sales of blank tapes and tape recorders, and in the near future, it will start collecting royalties on blank CDs.

Mr Thianchai said Thailand might need similar laws imposing royalties on blank recording media in order to prevent piracy.

Ai-sun Thairaniti of IBM Thailand said computer software rented for mainframes and other computers were hard to pirate because the programs had been written for specific units.

He said software providers rarely offered personal computer programs for rent because they were too easy to copy. Besides, the purchase price of most PC software is quite low.

However, CD-ROMs are expected to be very popular rental items, just as video and laser disc movies are today, he said.

Wirawit Wiraworawit, director of the technical and planning division of the Intellectual Property Department, said the Government supported private-sector efforts to establish a collective administration system to collect copyright royalties for owners in sectors other than music.

Music Copyright Thailand already exists to collect royalties for song composers.

Mr Thianchai said the IFPI had established Phonoright to collect royalties for sound recording media and would soon negotiate with hotels, pubs, karaoke bars and discotheques, the main users of these media.

Vietnam

Christopher's 'Historical' Asian Tour Viewed

BK0108113395 Hanoi Voice of Vietnam in English 1000 GMT 1 Aug 95

[Station commentary]

[FBIS Transcribed Text] The U.S. state secretary, Mr. Warren Christopher, last weekend left Washington for a visit to several Asian countries that has been described as a historical event. Our radio editor of Voice of Vietnam explains why:

Since he took office, Mr. Christopher has visited many places in the world, many of which have left important marks in American diplomacy. His repeated visits to the Middle East brought about peace opportunity for the region. However, his current 20-day visit to Asian countries, starting from July 29, will be important, particularly his visit to Vietnam. According to the White House spokesman, Mr. Nicholas Burns, it is very important moment for both the United States and Asia.

His first visit was to Brunei, where Mr. Christopher participated in the ASEAN foreign ministers conference and attended the ceremony to admit Vietnam to ASEAN. He met with foreign ministers of different regional countries. Worthy of note was the meeting with the Chinese foreign minister, Qian Qichen, to ease the growing tension between the two countries. Leaving Brunei's capital, Mr. Christopher will arrive in Malaysia on Wednesday [2 August] to discuss economic and security issues. Then he will visit Cambodia and Vietnam between 6-8 August. The White House spokesman said Vietnam and the United States would recall their war 20 years ago. Although Mr. Christopher would stay in Cambodia for only 24 hours, the French news agency AFP said his presence will create a great impression in Cambodia, which has not received the U.S. state secretary for over 40 years. His visit to Cambodia is aimed at showing the U.S. commitments to the efforts of the Cambodian Government and people in annihilating the aftermath of the Khmer Rouge regime. In Vietnam, Mr. Christopher will continue his efforts with Hanoi for a better future, first of all to open the U.S. Embassy in Vietnam. He will discuss with Vietnamese leaders the significance of future bilateral relations. They will also discuss other issues relating to trade, regional security, and cooperation against drug abuse.

The Asian visit of the U.S. state secretary is already underway and it will pave the way for a new era in the U.S.-Asian relations.

General Secretary Do Muoi Visits New Zealand

Visits Parliament House

BK2907090995 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 27 Jul 95

[Report by Dao Nguyen From New Zealand]

[FBIS Translated Excerpt] Dear friends, the official reception for Party General Secretary Do Muoi and the high-ranking Vietnamese delegation was solemnly held at the square in front of the New Zealand Parliament House. [passage omitted]

When the motorcade of party General Secretary Do Muoi and other Vietnamese guests arrived at the red carpet rolled out in front of the parliament house, New Zealand Prime Minister James Bolger and Deputy Prime Minister Don McKinnon greeted comrade general secretary and ushered him to the stand of honor. The red flag was slowly unfolded while the band played the Vietnamese national anthem, the anthem of the seventh member of ASEAN.

From the square in front of the parliament house, we clearly heard the 21-gun salute greeting the highest-ranking Vietnamese leader visiting New Zealand for the first time, and with it the opening of a new page in friendly and cooperative relations between the two countries.

After inspecting the guard of honor, Prime Minister James Bolger hosted a banquet in honor of party General Secretary Do Muoi and his entourage at the guest room of the parliament house. In a spirit of urgency and paying high attention to cooperation, after the banquet Party General Secretary Do Muoi and Prime Minister James Bolger witnessed the signing of an agreement establishing a container transport joint venture for railway goods between Vietnam and New Zealand. The joint venture is a step forward in modernizing Vietnam's railway industry. After Comrade Doan Xe, director general of Vietnam Railway Union, and His Excellency Mr. (Ray Burns) from New Zealand signed the joint venture document, Party General Secretary Do Muoi said to Prime Minister James Bolger: I hope New Zealand will be active in helping Vietnam's railway industry operate profitably and will modernize its business to serve the interests of both Vietnam and New Zealand. [passage reporting comments by a New Zealand businessman omitted]

Dear friends, also during this afternoon at the parliament house, Party General Secretary Do Muoi held a meeting with New Zealand Prime Minister James Bolger. On the Vietnamese side were Comrades Phan Van Khai, Hong Ha, Tran Quang Co, Pham Van Chuong, and our ambassador to New Zealand Nguyen Thanh Chau. The two sides exchanged views on bilateral ties as well as on international and regional issues.

Dear friends, this afternoon at the Trade and Economic Hotel [as heard] in the capital of Wellington, an economic seminar for New Zealand and Vietnamese businessmen was held jointly by Vietnam's State Commission for Cooperation and Investment, and New Zealand's Trade and Economics Ministry [name of ministry as heard] on the occasion of party General Secretary Do Muoi's visit. Deputy Prime Minister Phan Van Khai attended and delivered the opening speech at the seminar. He pointed at the results Vietnam has achieved in the ten years of the renovation policy and its open-door policy to make friends with all countries initiated by the Communist Party of Vietnam.

Deputy Prime Minister Phan Van Khai stressed: [Begin Phan Van Khai recording in Vietnamese] With the background of Vietnam's renovation policy and wide-open international cooperation and world integration, Vietnam-New Zealand cooperation will certainly develop in magnitude and quality. Vietnam's participation in ASEAN will be another favorable factor for this cooperation, built on the basis of the cooperative development between ASEAN and New Zealand.

As you already know, in its socioeconomic development during the shift to the market economy and its integration with the world community in parallel with the refinement of a law-governed state mechanism that belongs to the people, is by the people, and for the people, Vietnam has achieved important results and has overcome all socioeconomic crises and obstacles, thus creating a strong momentum for further development. I firmly believe that with determination and goodwill, we will together closely exploit all the opportunities to develop our cooperation according to the potential and aspirations of both sides. [end recording]

At the end of the first day of the visit, Party General Secretary Do Muoi and his entourage also had a friendly meeting with Deputy Prime Minister Don McKinnon.

Dear friends, while on the way to New Zealand yesterday passing though the air space of Singapore, Brunei, Indonesia, and Australia, party General Secretary Do Muoi sent greetings and wishes of good health to the leaders of these countries.

Speaks at Banquet

BK2907133795 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 27 Jul 95

[Report by Dao Nguyen from New Zealand]

[FBIS Translated Text] As we reported before, at the solemn banquet hosted by Prime Minister James Bolger in honor of party General Secretary Do Muoi and his entourage at noon on 27 July, Prime Minister Bolger and party General Secretary Do Muoi released their two speeches. The text of the speech by Comrade party General Secretary Do Muoi is as follows:

I am delighted with my first visit to the your beautiful country and with the meetings with his excellency prime minister and other New Zealand leaders. I sincerely thank his excellency prime minister, the New Zealand Government and people, for your warm reception given to me and my delegation, a reception which reflects your fine sentiments for Vietnam and its people. Visiting New Zealand, we have a chance to witness the great achievements of the New Zealand people, and with their industriousness and creativity, their achievements in economic development. We are very happy to note that New Zealand recorded impressive economic growth last year topping all OECD countries, and that has further raised the standard of living of its people.

Ladies and gentlemen; Our renovation has so far brought forth important results in our struggle for a prosperous people, a strong country, and equitable and advanced society. The living standards of many people are improving. We have also made encouraging changes to our political system, expanded democracy, consolidated the all people great solidarity bloc, and maintained political stability. We have exceeded many of the targets of the 1991-95 socioeconomic development plan. The average annual GDP growth rate is eight percent. Food production is developing rapidly, guaranteeing adequate supply for domestic consumption, as reserves, and for export. Industrial production is also increasing at over 14 percent a year. Oil exploitation particularly, has reached a high mark of over eight million tonnes a year. Our export value grows at a yearly rate of over 20 percent. Foreign investment is increasing at about 50 percent a year, and at present totals over $14 billion.

We have also been successful in implementing the independent, self-reliant, multilateral, and diversified foreign policy of wanting to befriend all countries of the world community for the sake of peace, independence, and development under the principles of mutual respect for each other's independence, sovereignty, and territorial integrity; non-interference in each other's internal affairs; and equality and mutual benefit. Vietnam will become an official member of ASEAN and will be the coordinating country for ties between ASEAN and New Zealand, and thus relations between us will move into new areas.

We highly regard the development of friendly and cooperative relations with neighboring countries, Southeast Asian countries, and Asia Pacific countries including New Zealand, an industrialized country with an important position. Friendly and cooperative relations between Vietnam and China has been developing well. For a number of issues left behind by history such as border and territorial issues, we hold that they will be settled through negotiations. Our ties with the U.S. are experiencing new and important changes. The two countries are normalizing diplomatic relations for the interests of the two peoples, for the causes of peace, cooperation, and development in Asia and the world without causing any harm to a third country. New steps have also been taken in our relations with the European Union, which has signed a cooperation agreement with Vietnam.

Located in the Asia Pacific, we aim for policies that strengthen peace, stability, and cooperation for the whole region. We hold that nuclear weapons proliferation and development should be stopped in the Asia Pacific and the world with a view toward the total elimination of such weapons as well as other arms of mass destruction.

About the Spratly and Paracel archipelagoes, our standpoint is very clear and constructive. We have adequate legal and historic evidence to confirm that the Spratlys and Paracel archipelagoes completely belong to Vietnam. However, for the sake of peace and stability in the region, we hold that all parties concerned should conduct negotiations to find long-term and fundamental solutions to the issue. The parties should also exercise self-restraint, maintain the status quo, avoid any action that would further complicate the situation, and not resort to or threathen the use of force.

Your Excellency Prime Minister James Bolger; Your Excellency Deputy Prime Minister Don McKinnon; ladies and gentlemen; Vietnam and New Zealand, though far away geographically, have common aspirations for peace, stability, cooperation, and development. We are delighted at the development of friendly and cooperative bilateral relations in the past several years. The exchange of visits by high-ranking leaders have contributed to heightening the quality and effectiveness of the relations. A number of economic and trade agreements have been signed, and the agreement on investment incentives and protection is being prepared.

Though begun in humble volumes, trade now shows signs of increasing. We highly regard the development of relations with New Zealand, as we have the potential to supplement each other, and are able to cooperate effectively in many fields. We welcome the policy of New Zealand to expand friendly and cooperative relations with Vietnam. New Zealand has assisted and is assisting Vietnam in forestry, product quality management, education, and public health. The first forestry project in the framework of New Zealand ODA [Official Development Aid] grant in Gia Lai is about to start soon.

New Zealand will open its embassy in Hanoi at the end of 1995, and your excellency prime minister will visit Vietnam. We consider your upcoming visit an important event that adds new significance to our friendly and cooperative relations.

We highly regard the high standards in industrial technology and multifaceted management expertise of New Zealand, especially in animal husbandry, the processing of meat and dairy products, forestry and wood processing, railway construction, and environmental protection. Vietnam wishes to learn these valuable experiences and to receive your active assistance and cooperation in these fields, especially in raising cattle for meat and milk, in milk and meat processing, in setting up animal protection systems, and growing pasturelands, as well as in planning tree nurseries and forests, where New Zealand has great expertise.

We expect to receive more ODA projects from the government, and invite New Zealand investors to increase their investment in rural areas in Vietnam, particularly in the Central Highlands. In terms of cooperation methods, we can cooperate in joint ventures or New Zealand can carry out such projects in conjunction with other countries.

Talks With Prime Minister

BK2807095195 Hanoi VNA in English
0624 GMT 28 Jul 95

[FBIS Transcribed Text] Hanoi VNA July 27 — General secretary of the Communist Party of Vietnam held talks today in Wellington with Prime Minister of New Zealand James Bolger.

The two sides informed each other of the situation in each country and compared notes on regional and international of common concern in an atmosphere of sincerity and openess.

Prime Minister James Bolger applauded Vietnam's achievements in its renovation process, highly appreciated its foreign policy and said that he wished the Vietnamese people greater achievements in their economic development and national construction.

General Secretary Do Muoi expressed his belief that through these summit meetings the friendly and cooperative ties between the two countries would be further developed.

He told his host of initial results of the current renovation process in Vietnam in all fields and the country's policy and direction to push up industrialisation and modernisation to reach the goal of 'Wealthy People, Strong Country, Equitable and Civilised Society'.

The party chief stressed that Vietnam persists in carrying out a foreign policy of independence, sovereignty, diversification and multilateralisation of relations in the spirit that 'Vietnam wants to befriend all countries in the world community, striving for peace, independence and development' on the basis of the principles of respect each other's independence, sovereignty and territorial integrity, non-interference in each other's internal affairs, equality and mutual benefit.

On the normalisation of the Vietnam-US relations, Mr. Do Muoi considered it as a new and important step of development ushering in prosperity to further promote the cooperation in various fields between the two countries, thus contributing to the cause of peace, cooperation and development in the region.

On the Asian-Pacific situation, Mr. Do Muoi said that Vietnam hold that it is necessary to suspend the proliferation and development of nuclear weapons in Asia-the Pacific region and the world as a whole, and to strive to eliminate all these and other mass-destructive weapons.

He also expressed his satisfaction at the development of the friendly and cooperative relations between Vietnam and New Zealand in the recent years and said that the two countries have ample capabilities for conducting cooperation with high efficiency.

Mr. Muoi renewed his invitation to Prime Minister J. Bolger to visit Vietnam. Prime Minister J. Bolger accepted the invitation with pleasure and he said he hoped that expressed his first Vietnam visit would take place by the end of this year on the occasion of the official inauguration of New Zealand's embassy in Vietnam. [sentence as received]

Visits South Island

BK2907101195 Hanoi VNA in English
1650 GMT 28 Jul 95

[FBIS Transcribed Text] Hanoi VNA July 28 — Communist Party General Secretary Do Muoi, who is now on a two-day visit to New Zealand, left Wellington this noon for a tour of South Island.

After arriving in Hokitika Town by plane of the New Zealand's Air Force, the Vietnamese leader travelled by train to Christchurch, the third largest town of this country and an important economic, art, handicraft and educational centre of South Island.

In the evening, the visiting delegation was feted by Minister of Commerce and Industry Philip Burden who accompanied the guests to South Island.

Earlier in the morning, Do Muoi met with Mrs Helen Clark of the Labour Party and leader of the opposition party in the parliament of New Zealand.

Mr Muoi expressed thanks to the Labour Party for its support to the just cause of the Vietnamese people, and its contribution to developing the friendship between the two peoples.

He also expressed Vietnam's desire to promote all-round relations between the two governments, and legislatures, and political parties and mass organizations as well.

Travels to Australia

BK3107130095 Hanoi Voice of Vietnam Network
in Vietnamese 1100 GMT 29 Jul 95

[FBIS Translated Excerpt] Dear Friends: On his third day in New Zealand, party General Secretary Do Muoi visited Christchurch. Mrs. Catherine Tizard, governor general of New Zealand, cordially received and held talks with General Secretary Do Muoi. Both sides discussed issues of mutual concern, including measures to develop and strengthen cooperation between the two countries in the cultural, scientific, technological, and economic domains. Later, General Secretary Do Muoi visited a number of scientific and training establishments in Christchurch. [passage omitted]

Dear friends, after two and a half days in New Zealand, General Secretary Do Muoi departed from Christchurch International Airport at 1245 on 29 July, concluding his official visit to the country with splendid success. Seeing off General Secretary Do Muoi at Christchurch International Airport were Senator David Carter and (David Cathery), New Zealand ambassador to Vietnam. Before his aircraft left New Zealand airspace, Comrade Do Muoi sent a message of thanks to Prime Minister James Bolger, other leaders, and the people of New Zealand for the warm welcome and hospitality extended to him and his entourage.

Dear friends, after a four hour flight across the South Pacific, General Secretary Do Muoi arrived at Sydney International Airport to begin an official visit to Australia at the invitation of Prime Minister Paul Keating. On hand at the airport to welcome General Secretary Do Muoi and his entourage were representatives of the Australian Prime Minister's Office and high-ranking New South Wales officials.

Army Newspaper Hails Do Muoi's Trip

BK3007122695 Hanoi Voice of Vietnam in English 1000 GMT 30 Jul 95

[FBIS Transcribed Text] Vietnamese party General Secretary Do Muoi has ended successfully his visit to New Zealand. In its editorial Sunday [30 July], the Hanoi Army newspaper QUAN DOI NHAN DAN said the visit to New Zealand by Vietnamese party chief leader opens a new page in the bilateral relations.

In attaining the goal of building a prosperous and powerful country with civilized and equitable society, Vietnam found New Zealand its potential partner.

The two sides can share experiences and broaden cooperation in various fields especially in agriculture, forest and natural resources protection, and forestry development.

The editorial said: The visit by Party General Secretary Do Muoi once again reaffirms Vietnam's open door foreign policy in the principle of multilaterization and diversification.

Economic Workshop Held With New Zealand

BK2807105095 Hanoi VNA in English 0705 GMT 28 Jul 95

[FBIS Transcribed Text] Hanoi VNA July 28 — An economic workshop between Vietnam and New Zealand was held in Wellington, New Zealand's capital, yesterday during the current three-day official visit to the country by party General Secretary Do Muoi.

Participants to the workshop included Dau Ngoc Xuan, chairman of the State Committee for Cooperation and Investment; Vo Hong Phuc, deputy chairman of the State Planning Committee; Nguyen Thien Luan, deputy minister of agriculture and food industry, and more than 20 businessmen accompanying the party chief. Over 100 New Zealand business leaders attended the workshop.

The businessmen exchanged views on the potential to strengthen bilateral cooperation programmes and projects in fields of common interest.

New Zealand participants were informed by Deputy PM [Prime Minister] Phan Van Khai of Vietnam's renovation policy, socio- economic achievements as well as current difficulties and successes. The deputy PM hailed New Zealand investors' increasing of investment in Vietnam and expressed a belief that cooperation between Vietnam and New Zealand would be broadened, especially in the areas of economics, culture, science and technology.

Russia's Kozyrev Holds News Conference in Hanoi

BK2807162095 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 27 Jul 95

[Station correspondent's report on Russian Foreign Minister Kozyrev's news conference in Hanoi on 27 July; portions recorded in Russian fading into Vietnamese translation]

[FBIS Translated Text] Dear friends, at the beginning of the news conference, Russian Foreign Minister Kozyrev said he was elated at the chance to visit Vietnam at a time when the Vietnamese people are preparing to celebrate its 50th national day, when Vietnam's economic development is making notable headway, and when it is about to join ASEAN.

On his working session with Vietnamese President Le Duc Anh, Foreign Minister Kozyrev said the meeting proceeded in a friendly atmosphere and both sides asserted their commitment to accelerating Vietnamese-Russian friendship and cooperation. Foreign Minister Kozyrev said:

[Begin Kozyrev recording] Vietnam and Russia or Hanoi and Moscow have maintained close ties through their traditional friendship and cooperation in the political, military, and economic domains. We have never forgotten this relationship and contend that it should be further developed. This was the topic we discussed with Foreign Minister Nguyen Manh Cam and Deputy Foreign Minister Le Mai today. We also discussed measures to implement cooperation in other areas for mutual interest and on the basis of the bilateral agreement signed during Prime Minister Vo Van Kiet's visit to Russia in June 1994. Both sides discussed measures to accelerate trade, procedures to set up cooperative groups in various areas, and efforts to create a healthy atmosphere in the region. [End recording].

Foreign Minister Kozyrev expressed satisfaction at his meeting with Vietnamese leaders and asserted that both sides had no conflicts on whatever views. Later, the Russian Foreign Minister answered many questions from Vietnamese and foreign reporters on various issues. On the payment of Vietnam's debt to Russia, he said:

[Begin Kozyrev recording] The two countries do have problems on debt repayment and measures are being taken to settle this issue. I would like to say that the Russian-Vietnam Intergovernmental Committee for Economic, Scientific, and Technological Cooperation will work out a solution for the debt settlement in a cooperative manner, rather than create a heavy burden for Vietnam. [End recording]

Answering a reporter's question on the upcoming visit to Vietnam by U.S. Secretary of State Warren Christopher, the Russian Foreign Minister said:

[Begin Kozyrev recording] In the past several years when we had the chance to talk with our U.S. colleagues, we consistently assured them that the normalization of ties between the United States and Vietnam is necessary. Now, we are very pleased to see that this has materialized, thus putting an end to another part of tragic history. Vietnam is our traditional friend in Southeast Asia and when two of our friends normalize their relations, we are very pleased indeed. [End recording]

Answering reporters' question on Russian views in resolving the current crisis in Bosnia-Herzegovina, Foreign Minister Kozyrev said that there were attempts to resolve this crisis through military measures such as the deployment of a rapid reaction force, the lifting of the UN embargo against the region, and air strikes. He said: Russia, however, contends that this issue should be resolved through peaceful negotiations. A few days ago I visited Belgrade and during my working session with President Alija Izetbegovic, I learned that he also advocated a political solution to the issue. As a result, while the parties concerned preferred a political solution, the outsiders were attempting to impose military measures. Yesterday, our President Yeltsin proposed that Russia contribute to the resolution of the Bosnia-Herzegovina issue by sending a peacekeeping force there. He also asserted that a political solution should be tried first before military measures are imposed.

Foreign Minister Kozyrev also answered many other questions asked by Vietnamese and foreign reporters.

Ends Visit, Departs for Brunei

BK2907101295 Hanoi VNA in English
1652 GMT 28 Jul 95

[FBIS Transcribed Text] Hanoi VNA July 28 — Russian Foreign Minister Andrey Kozyrev left Ho Chi Minh City this afternoon, ending his visit to Vietnam from July 27.

While in Ho Chi Minh City, Kozyrev was received by mayor of the city Truong Tan Sang who later hosted a dinner to welcome the guest.

Kozyrev left the city for a meeting of the foreign ministers of ASEAN member countries in Brunei.

Romanian Premier Discusses Trade Cooperation

BK3007074795 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 11 Jul 95 pp 1, 5

[Interview with Romanian Prime Minister Nicolae Vacaroiu by Correspondent Tran Hoang Ha; place and date not given]

[FBIS Translated Text] [Tran Hoang Ha] What do you think is the most salient outcome of this visit?

[Vacaroiu] The most important outcome of the visit is the opening of a new cooperation stage between Romania and Vietnam, after a long pause of changing years. During the visit, the two sides signed three important cooperation documents on the avoidance of double taxation, cooperation in consular service, and cooperation in culture, science, education, and sports. Together with agreements signed before on investment encouragement and protection, the agreements signed this time will create the legal foundation for the development of relations between the two countries, especially between businessmen.

[Tran Hoang Ha] Dear prime minister, the economic and trade relations between the two countries, however, are still fairly insignificant.

[Vacaroiu] According to records, the trade balance between the two countries in 1994 was $12 million, and investment exchange was almost nil. Honestly speaking, the economic relations between the two countries are low and do not reflect the potential and demand of both sides. Hence to find suitable measures to boost economic ties is an important goal of my visit here.

[Tran Hoang Ha] What do we need to do to strengthen economic relations?

[Vacaroiu] I think that we need to enhance communication at various levels to promote mutual understanding, to realize each other's demands, and from there to find out opportunities for cooperation in specific fields. One of the major reasons why our economic cooperation in the past remains at a low level is the lack of information about each other's market. We need to improve and consolidate our means and styles of communication so that businessmen from both sides can easily form close relations. I also think that we need to improve the quality of the exchanged goods so that trading cooperation would render higher efficiency. Furthermore, the two governments should also provide businessmen with necessary assistance.

[Tran Hoang Ha] Dear prime minister, through your visit, in which fields do you think Romania has the capacity to cooperate with Vietnam?

[Vacaroiu] As you already know, in my delegation there are over 30 leading Romanian businessmen from various economic fields. From this visit, I see that Romania can cooperate with Vietnam in shipbuilding, car manufacturing and assembling, production of equipment for cement plants, locomotive manufacturing, wood processing, hydroelectricity, oil exploitation and refinery, and so forth. After this visit, many Romanian businessmen will draw up economic proposals and look for Vietnamese partners. We may establish joint ventures, or cooperate with third countries to open joint ventures in Vietnam.

[Tran Hoang Ha] Dear prime minister, considering its current situation, in which fields do you think Vietnam can cooperate with Romania?

[Vacaroiu] At present, we can find many Vietnamese goods in Romania. I think Vietnam can export to Romania agricultural products, aquatic products, handicraft and fine art products, textile and garment, and other consumer goods with high quality.

[Tran Hoang Ha] One last question: What message did you bring to Vietnam and what message did you obtain from this visit?

[Vacaroiu] There is one message from both sides, that is we all wish to bring our traditional cooperative relations to a new development stage. The message was reflected in our invitations to President Le Duc Anh and Prime Minister Vo Van Kiet to visit Romania, and in the invitations to the Romanian president to visit Vietnam. A delegation from thye Romanian parliament is to visit Vietnam soon. In my opinion, the renovation success of Vietnam and the preliminary outcomes of the reforms of our country are the undoubtable guarantee for a prospective cooperation period for Romania and Vietnam.

Taiwan's Chiang Meets Ho Chi Minh City Head

*OW0108093795 Taipei CNA in English
0850 GMT 1 Aug 95*

[By Wu Shu-mei and Lilian Wu]

[FBIS Transcribed Text] Ho Chi Minh, Vietnam, July 31 (CNA) — Republic of China [ROC] Economic Affairs Minister P.K. Chiang Monday [31 July] met with the chief of Ho Chi Minh [City] to discuss Taiwan investment in the southern Vietnamese city.

Truong Tan Sang, chairman of the People's Committee of Ho Chi Minh City, told Chiang that his city has attracted US$5 billion in foreign investment over the past few years, with about half of them coming from Taiwan. All investment projects over US$100 million have also come from Taiwan, he added.

He told Chiang that in the future, he will promote administrative reform and infrastructure construction to attract more Taiwan investment.

Chiang noted that the large amount of Taiwan investment reflects the strength of Taiwan businessmen. If the trend continues, it will serve the interests of both nations.

Truong said that the Vietnamese Government has responded to complaints from foreign investors who have said that investment regulations are complex and land rent is too high. Land rents were cut 25 percent last year, he noted.

He also said that Prime Minister Vo Van Kiet has focused development on Ho Chi Minh, Kong Nai Province and Ba Ria Province. The three areas account for 30 percent of the gross domestic product (GDP) in Vietnam.

Among them, Ho Chi Minh alone accounted for 15 percent of Vietnam's GDP and the city expected to be the prime mover of Vietnam's economic development in the next decade.

Chiang led a delegation to the second Taiwan-Vietnam ministerial- level economic and cooperation meeting held in Hanoi last week.

Trade between Taiwan and Vietnam reached US$961 million last year, an eightfold increase from 1989, and is expected to break the US$1 billion mark this year.

State Planning Committee Chairman Visits PRC

BK2707000995 Hanoi VNA in English
1422 GMT 26 Jul 95

[FBIS Transcribed Text] Hanoi VNA July 26 — A delegation of the State Planning Committee led by its Chairman Do Quọc Sam has paid a visit to China from July 22.

During its visit, the delegation was received by Mr Zou Jiahua vice premier of the State Council of the People's Republic of China. After introducing his country's progress and economic reform's experiences, Mr Zou Jiahua said that Vietnam and China have many potentials to further strengthen and expand their relations of economic and commercial cooperation.

The delegation held talks with a delegation of the State Planning Commission on bilateral economic cooperation and compared notes with the commission for restructing economy and the Ministry of Metallurgical Industry on Macro Economic Management and Cooperative Projects between the two countries. The delegation also visited some social and economic establishments in Beijing and other localities.

Article Views Criticism of Human Rights Record

BK0108033995 Hanoi QUAN DOI NHAN DAN
in Vietnamese 1 Jul 95 p 2

[Article by Hoang Huan: "The Unrelaxing Grip of Orangutans"]

[FBIS Translated Text] In the recent past, extremist elements among the Vietnamese community overseas have undertaken feverish activities — holding seminars, publishing books, running press articles, and organizing exhibitions — to condemn the Socialist Republic of Vietnam's "lack of democracy and human rights violations." For example, they organized a seminar on 16 April 1995 in the 15th Precinct of Paris (France) under the theme "Day for Democracy in Vietnam." Bui Tin and six other lecturers presented keynote speeches. On 24 April 1995, they organized a seminar under the theme "Renovation and Human Rights in Vietnam 20 Years Later." Vo Van Ai, president of the so-called "Committee for Human Rights in Vietnam," and Patric Dudman, president of the "International League for Human Rights Protection," attended the conference. They organized "memorial services" in northern and southern California in the United States, flying yellow three-striped flags and holding meetings in memory of the Vietnamese "nation." Representatives of 15 Vietnamese resident organizations in the United States, Canada, Germany, and France participated in a seminar in eastern Washington to "close ranks" to fight the communists at home. In an interview granted to the BBC, Chu Tan, a writer in exile and president of the "Committee for the Campaign To Establish the Vietnamese Community Overseas," specified the four objectives of his committee; namely, creating a common voice; developing the strength of the Vietnamese community overseas in all fields (political, social, economic, and scientific-technological) to deal with the problem of reconciliation; preserving Vietnamese language and culture; and supporting the struggle for "freedom, democracy, and human rights" in Vietnam. In particular, many U.S. senators and representatives and a number of extremist Vietnamese residents in the United States, Europe, and Australia organized a "Day of Human Rights for Vietnam" on 11 May 1995 in the halls of the U.S. Senate...

People ask themselves: Why have they done this? Of course, people view and interpret these activities differently. Even some extreme anticommunist elements among the Vietnamese community maintain that the situation has changed; the United States has lifted its embargo against Vietnam, the two countries have reached rapprochement to protect their economic and political interests, and "a new road map has opened for both sides." They have concluded that given the situation, a rigid anticommunist attitude would be compared to the "unrelaxing grip of orangutans" and would be impractical, inappropriate, and ineffective. "If one must face the communists, one should not adopt an extreme attitude toward them."

Others maintain that the Vietnamese community overseas has disintegrated. The young generations, accounting for the majority of Vietnamese residents overseas (two-thirds), want to be left alone so they can integrate into their new society, do business, and earn money before returning to the motherland and investing in joint ventures. They do not see the need for anticommunist activities...

Reality shows that in order to understand fully why these people have used the pretext of "human rights" and "democracy" to oppose Vietnam in such a feverish manner, one must put their activities in the context of the overall picture. To put it in another way, one must take into account the general situation from the time of the "Cold War" to the period when socialism collapsed in Eastern Europe and the former Soviet Union. The capitalist camp headed by the United States has made feverish efforts to implement the "peaceful evolution strategy" through the practical application of the "expansion" and "involvement and expansion" strategies to do away with the remaining communist countries, including Vietnam. The capitalist camp regards democracy and human rights as the most important part of its struggle to cause internal instability, poor economic strength, social unrest, and political crisis to transform socialist states into capitalist countries. Looking back at history, we see that in Vietnam's case the United States and the West have always expressed "concern" for human rights.

On 23 September 1993, the U.S. Senate passed Bill No. 954 to express its concern for human rights and democracy in Vietnam and call for "democratic reform," "economic liberalization," and "respect for human rights." It also made known that the United States supported the process of "peaceful democratic reform in Vietnam." The United States carried out that scheme in a deliberate and systematic manner, with the use of a well-established mechanism for implementation and appropriate funding. Though the United States lifted its embargo against Vietnam on 3 February 1994, it always stressed that the human rights issue remained the essential point in U.S.-Vietnamese relations. In early May 1994, both the U.S. Senate and House of Representatives decided to name 11 May 1994 the "Day of Human Rights in Vietnam." The liaison offices of the two countries were set up in Hanoi and Washington on 3 February 1995. Nevertheless, on 11 May 1995 many U.S. senators and representatives attended a seminar held in the U.S. Senate to discuss the topic of "Human Rights in Vietnam."

Together with the United States, other forces tried to slander and distort the truth to accuse Vietnam of violating democratic liberties and human rights. In a number of countries, parliamentarians made use of parliamentary organizations directly or indirectly to ask Vietnam to respect human rights. The European Parliament issued Decision No. B3-1176/RC1, B3-1226/RC1 calling on member countries to create pressure in all fields to force Vietnam to respect human rights, freedom of religion... Through international organizations, they condemned human rights violations and sought guarantees of the respect for human rights in Vietnam. The United Nations International Human Rights Center based in Geneva circulated documents against Vietnam, including the so-called "human rights violations in the Republic of Dega [not further specified]" compiled by a number of ethnic minority people in the western highlands. They jointly organized many international conferences and seminars on human rights and openly asked Vietnam to opt for a bourgeois democratic system. Many countries even made use of diplomatic channels to ask Vietnam to provide information and release people who had been detained for committing acts detrimental to national security. Many Western politicians directly intervened in Vietnam's internal affairs. They fabricated the so-called "lists of political and religious prisoners" and "prisoners of conscience" (who were actually detained for breaking the law) and requested their release.

Taking advantage of those incidents and prompted by revanchist sentiments, many groups of extremist overseas Vietnamese nationals made frantic efforts to set up many "human rights" organizations in Vietnam. About 70 such organizations were set up on various continents to undermine the revolution at home. They ranged from organizations like the "Alliance of Movements for Freedom and Democracy," "Committee for Human Rights Protection," "Movement for the Restoration of Vietnam," "Committee for Human Rights Protection and for Saving the Buddhist Church From Catastrophe," "Committee for the United Front for Freedom of Religion," "Committee for the Protection of Huyen Quang [Buddhist monk]," "Union of Russian Associations for Democracy and Human Rights in Vietnam," and "Front for the Liberation of Cham Pa [not further specified]" and "the Republic of Dega" to movements like "Victory of Belief Over Violence" and "Golden Pear Flowers." The objectives of the aforementioned organizations and movements were to promote "human rights protection in Vietnam," slander and condemn Vietnam for human rights violations, and call on governments to intervene in Vietnam. In the meantime, many newspapers and magazines were published and 29 Vietnamese language radio stations and programs were organized to exert an ideological influence over people at home as well as overseas Vietnamese nationals. Open arrangements were made for outsiders to contact people at home to carry out subversive activities. As a case in point, one can mention the incident involving members of a group dubbed "Country of the Great and Heroic Vietnamese People" who were arrested in Ho Chi Minh City in March 1993...

Considering their activities in view of the overall picture, it is understandable why the human rights activities carried out by Vietnamese extremist group in exile and the international hostile forces have increased substantially during the past period. It is necessary to assert clearly that human rights is not a new or extraordinary concept. Rather, it is an aspiration and goal adored by mankind for many centuries. Human rights is a complicated international issue that has been exploited by the hostile forces, along with their scheme of "peaceful evolution" against socialism, to oppose Vietnam strongly and undermine it resolutely. Our concept on this issue is that human rights have both universal and unique characteristics. As a result, we contend that the protection of human rights in a country rests chiefly with the country concerned without interference or imposition by outsiders.

We are struggling for equality in the development of nations with international cooperation in support of development. We do not accept the efforts to use human rights as a condition for development. Once again, we reaffirm our national self-determination as stipulated in the convention on political and civil rights. We would also like to assert the right to struggle of nations that are being invaded; the right of nations to protect their territorial integrity and unification. Moreover, it is not rational to emphasize only the individual's freedom and rights. Attention should also be paid to the rights and obligations of citizens, especially in the socioeconomic and cultural domains. Efforts must be made to combine the promotion of democracy with that of human rights and development. It is essential to stress that human rights cannot be used as a pretext to violate our national sovereignty.

Frugality in Official Spending Ordered

BK3007095095 Hanoi VIETNAM INVESTMENT REVIEW in English 10-16 Jul 95 p 1,2

[Article by Nguyen Tri Dung: "Prime Minister Axes Excess"]

[FBIS Transcribed Text] Vietnam's Prime Minister has cracked his executive whip against extravagant spending by public officials.

The move has been prompted by concerns about having sufficient revenue for the country's development plan, in the face of widening budget deficits and uncontrolled inflation.

In a directive made known last week in Hanoi, Vo Van Kiet instructed executives at all levels to actively take part in the nation-wide campaign against "wastefulness".

He called for the application of a strict and thrifty policy to minimise all expenditures which he regards as unnecessary at a time when Vietnam has to devote its human and financial resources to tighten the widening gap with neighboring economies.

The regulation targets special occasion expenses, stating that from now on, all public office meetings, seminars, anniversary celebrations including receptions of foreign guests must refrain from using cigarettes, liquor and beer except for special events where liquor could be offered according to international practices.

There are also guidelines about the use of office space; purchasing cars and motorbikes; and funding for business-related trips.

During the first half of this year, state budget revenue collection achieved only 39 percent of the annual plan, of which taxes as the main resource came in at only 38 percent, while expenditure for capital construction reached only 34.5 percent of projected estimates.

The Government has set out a plan to control the monthly inflation rate to around 0.5 percent in order to limit the annual total to 15 percent although during the last six months the consumer price index fluctuated dramatically around 2.1 percent per month.

Although regarded as amongst the poorest people in the world with a Gross Domestic Product (GDP) income of around US$200 per year, most Vietnamese still live beyond their means seeking luxurious consumer items. This particularly applies to those in high positions in state offices whose spending relies on the State budget or "pagoda cash". People are hurriedly upgrading or building new offices and residences while more is being spent on high class cars or motorbikes. Institutional vanity has loaded the State budget with a huge financial burden through meetings seminars and other show-off activities for anniversary celebrations or commemorations.

To deal with this situation, the premier has decided to temporarily ban all State offices from building new premises. He said any State agency or office which really needs a new office must get his personal and written approval and that the construction procedures must apply with the strict state regulations.

The premier instructed the ministers of Construction and Finance to submit for his rectification a standard on offices which will be applied throughout the country. He asked the Minister of Finance to implement effective use of office spaces and any spare space must be redistributed by the Government.

According to the premier's plan, during the whole year of 1995 and the first half of 1996, the Ministries of Finance and Construction must compile statistics on State-owned public office space and formulate a plan to retrieve all excess space. They must then redistribute them to new owners.

A recent survey carried out by the Ministry of Construction revealed serious mismanagement of public offices being leased. The money collected from these office was being diverted, not reaching the State Treasury.

The survey, conducted in Ministries and other Government offices in Ho Chi Minh City, revealed that only 35 percent of office space is being used correctly and the rest is being leased for an annual income of around VND20 billion (US$1.8 million) money which the state has not received.

In a recent decision, the Government declared it would retrieve office space from the ministries of Agriculture and Food Industry, Trade, Public Health, Education and Training, and Heavy Industry. The premier has shown a keen interest in controlling over-expenditure on luxurious items like high-class cars and office facilities and fittings.

He has also asked his fellow executives to follow a strict policy when spending money on new office items, especially the purchasing and use of luxury cars.

He has decided that for a two-year period, starting this year, the Government will apply strict ban on the buying of new cars by all State offices including those of the State agencies, Armed Forces, State enterprises and those belonging to mass organisations which are wholly subsidised by the State budget.

According to this decision, following the promulgation of the premier's directive, the Ministry of Finance will cut off that portion of the budget which has already been allocated to any State office for the purchase of new, luxury cars expected to be bought during the current financial year.

Any special cases where the purchasing of new cars is deemed entirely necessary, only the prime minister has the power to rectify the budget and the application for such a budget must be submitted to him. The Minister of Finance will, in the coming months, carry out an overall inspection of all cars currently owned and used by all State offices.

The Cabinet's Organizational and Personnel Board will cooperate with the Ministry of Finance to work out a new regulation on the standards of cars used by State officials at each level, and for spending on offices. They must then submit the proposals for the premier's approval.

Office equipment and fittings which exceed VND10 million (US$900) must be publicly presented to finance officials. The premier's directive pays particular attention to the extravagant spending which has been taking place at celebrations, meetings, and seminars.

"All State offices and authorities at all levels should from now on apply strict management to the organisation of anniversary celebrations, meetings, seminars, gatherings concerning their contents, the number of invited guests as well as the timing," the prime minister instructed.

He added that all year-end meetings, anniversary celebrations and seminars held by cabinet offices which are funded wholly or partly by the State budget must be personally approved by the prime minister himself once those events are on a national scale.

The prime minister has also prohibited civil servants' gifts.

Australia

Officials React to Recall of French Ambassador

BK0108124095 Hong Kong AFP in English 1234 GMT 1 Aug 95

[FBIS Transcribed Text] Canberra, Aug 1 (AFP) — France's recall of its ambassador to Australia illustrated the "adverse international consequences" of the French decision to resume nuclear testing, Prime Minister Paul Keating's spokesman said Tuesday.

The spokesman said that Keating had not yet been officially notified of the French government's decision to recall the envoy for consultations.

The decision was announced by the French foreign ministry in Paris.

"The recall would be a further illustration to the French people of the adverse international consequences of the French government's decision to resume nuclear testing in the Pacific," the spokesman told the Australian Associated Press (AAP).

The recall of ambassador Dominique Girard capped a day which saw the Australian government bar the French aviation concern Dassault Brequet from competing for a contract in protest at Paris' decision to conduct eight nuclear tests in the South Pacific from next month.

Defence Minister Robert Ray barred Dassault Brequet from bidding for a contract to supply jet trainers.

Reports here valued the contract at between 600 million and 740 million dollars (438 million to 540 million US). The French company was not a top favourite to get the contract, Ray noted.

Acting Foreign Affairs Minister Gordon Bilney said the ambassador's recall showed that Australia's protests were being heard at the highest level of the French government.

He said it was a pity that the bilateral relationship had deteriorated to this level, but said the French government could improve matters by revoking its decision to resume testing.

"The whole purpose of the government's actions has been to get a message through to France," Bilney told the AAP.

"If that message is conveyed at that level by the French ambassador to the French president, that's a development towards which we are working," he said.

Alexander Downer, foreign affairs spokesman for the conservative opposition coalition, echoed Bilney's comments that it was a sad development and said he could not see relations with France improving for some time.

"They have only got themselves to blame. We told them before (they decided to resume testing) that we would oppose the decision. We have got to take a strong stand on this issue," Downer said.

French Firm Barred From Bidding for Contract

LD0108114295 Melbourne Radio Australia in English 1000 GMT 1 Aug 95

[FBIS Transcribed Text] The Australian Government has excluded a French company from bidding for a billion-dollar defense contract to replace the air force's trainer aircraft. Alexandra Kirk reports Defense Minister Robert Ray's action is part of Australia's protest against France's decision to resume nuclear testing at Mururoa Atoll.

[Kirk] Dassault was one of a number of overseas companies bidding for the new trainer-fighter plane contract, replacing the RAAF's [Royal Australian Air Force's] ageing fleet. Senator Ray has excluded Dassault from the shortlist, but said it was never considered a front-runner.

The move was foreshadowed last month when Australia responded to France's decision to resume nuclear tests in the Pacific. The federal government suspended defense links, restricted defense procurement, and allowed the defense minister to consider on a case-by-case basis proposals by French companies to bid as the main contractors in defense projects. Senator Ray says the move registers a protest against the French decision.

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